Beatty Names Key Problems (Page 12)

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The Nation's Business

Sir Edward Beatty Names Canada's Chief Problems

Outlines Attack Upon Them

B. C. Plunges Into Health Insurance

No Adequate Study

$6,000,000 for Wheat Politics

Beatty On Our National Problems

THERE is a most encouraging candor in the contributions that Canadian leaders of opinion are making to The Financial Post's series of articles on Canada's major problems. Few of the writers are taking pains to "pull their punches."

Without anticipating articles yet to appear or yet to be written, it can be said that the problem of public finance is one that engages the attention of practically everyone who contributes to the series.

This week Sir Edward Beatty adds a most thoughtful statement which we trust will be carefully studied by all of our readers. There can be but little quarrel with the logic of Sir Edward's analysis of our national position.

* * *

UNEMPLOYMENT is our fundamental difficulty, he points out. It has resulted from a cessation of the flow of credit into new enterprises. Yet wealth, resources and skill are available. If unemployment persists it must be the result of fear. The answer to the problem lies then in the stimulation of confidence or, conversely, in the banishment of fear. Sir Edward cites the reasons why there is fear. One is the rise of public debt which in turn is the product of unbalanced budgets. The thing to do with unbalanced budgets is to balance them by spending less. We must stop borrowing. The article proceeds step by step to a discussion of the rôle of government and to longer term issues such as immigration, land settlement and the country's development.

The series will continue. Some further remarkably able statements are to follow. The reader who follows them week by week will observe the emergence of some very clear guide-posts to Canadian prosperity.

* * *

B. C. Health Insurance

THE most important job facing British Columbia's legislature now in session is the decision regarding a health insurance plan for the province.

The plan is one of national interest. The government's enthusiasm for it is typical of the sweep of idealistic measures at a time when the country's major problem is to avoid bankruptcy. British Columbia is already so heavily in debt that few people can see how it is going to maintain its credit, yet it pursues a plan which has been inadequately studied and which threatens to add millions more to the burdens its taxpayers bear.

Furthermore the bill itself is a wide open, dangerous type of statute giving uncontrolled authority to the commission which is set up. It provides no clear plan of administration; does not strictly define benefits and leaves the period of payment unlimited. Contributions of employees and employers under the plan may easily vary as much as 100 per cent, which means they might amount to as much as 6 per cent of pay roll instead of the 1 and 2 per cent figures generally mentioned.

* * *

FOR the government to proceed with the type of measure now planned would be the sheerest folly and a course that might easily cause the financial structure of that province to topple. Already loaded beyond reason with debt, the measure would impose an additional and unknown liability on the province and the burdened backs of industries which depend for their livelihood on competitive sales in world markets.

Practically every representative business body in the province has protested against the imposition of this measure at this time and various organizations have gone so far as to offer to pay the expense of any independent investigation into the cost and incidence of the plan. They do not object to the principle of the bill so much as to the introduction of a measure which would bear heavily on employee and employer alike and whose cost is still a huge question mark as far as anyone can ascertain. If, as the government claims, it has sound industrial and financial advice, it has provided no evidence of it as yet.

* * *

IT MAY be that British Columbia's cabinet ministers have not bothered to figure out the debt burdens of the people they represent. These

(Continued on page 2, col. 3)

Ontario Municipal Default List Shows Dark Outlook for Bonds

Some Defaulters Making Payments to Shareholders; But Many Await Refunding Schemes

Municipal defaults in Ontario number over 40 and total about $90 millions or about 18 per cent of the funded debt of Ontario municipalities. These figures do not include defaults of Roman Catholic separate school boards. Full default of principal and interest prevails in 27 municipalities.

With resumption of debenture payments by the majority of defaults not in sight, the outlook for the bondholder is somewhat bleak. Each case, however, must be examined separately. Where default on principal alone occurred or where something is being paid on account of interest, bondholders may avoid any substantial loss. In others, some reduction of both principal and interest may be necessary.

Refinancing Necessary

In practically all cases, refinancing will be necessary and some progress is being made in this connection, especially in the case of the municipalities merged in the new city of Windsor and in the Toronto suburbans. A finance commission has already presented a refunding scheme for Windsor. Thomas Bradshaw of the Toronto General Trusts Corp. and J. M. Macdonnell of the National Trust Co. are investigating the finances of the Toronto suburbans in order to work out a refinancing plan.

The future course of refunding plans is to some extent dependent upon the outcome of the Windsor scheme. Considered manifestly unfair to bondholders, negotiations are under way to amend the scheme. If an amicable agreement is reached, it is possible that refinancing scheme for other defaults will be speeded up.

Difficulties Not Over

General improvement in business may also assist reorganization. In 1935, a large number of Ontario municipalities strengthened their financial positions as a result of better tax collections. Not all municipalities, however, are out of the woods of financial distress although new defaults apear to have been checked. Most municipalities will have to continue to keep expenditures at a minimum if a sound financial position is to be maintained or restored.

The major problem of municipalities continues to be unemployment relief costs. If these could be eliminated or substantially reduced, most municipalities would soon rid themselves of their financial difficulties. Recently, the trend of relief costs

(Continued on page 2 col. 6)

MUNICIPAL DEFAULTS SEEN AT A GLANCE

Investors have recently evinced considerable interest in the bonds of the more important municipal defaults in Cntario and as a result active trading has developed. Although advances have been recorded in the price of these bonds, the rise has not been as sharp as in the case of some defaulted corporation issues.

Given below is a summary of the more important defaults showing the amount of debentures outstanding, the type of default and the prevailing quotations. As will be seen from the tabulation, defaults are classified under three headings: principal default, partial default and full default. Municipalities in partial default are paying nothing on debenture principal but are paying something on interest

Municipality	*Debentures Outstanding	Type of Default	Bond Prices Bid	Asked	Int. Paid in 1935
East Windsor	$4,325,328	Full	38	40	None
East York Twp.	5,597,988	Partial	53	57	3%
Etobicoke Twp.	3,609,441	Principal	58	..	Full
Fort Erie	1,729,366	Full	48	53	None
Leamington	694,209	Principal	58	62	Full
Leaside	1,078,149	Full	49	53	†None
Midland	1,406,052	Full	52	..	None
Mimico	1,784,136	Full	57	..	None
New Toronto	7,739,473	Full	56	60	None
Niagara Falls	3,518,926	Principal	68	73	Full
North York Twp.	3,250,371	Partial	62	66	3%
Pembroke	889,405	Full	53	58	None
Sandwich	3,109,234	Full	23	28	None
Sandwich East Twp.	2,022,159	Full	13	16	None
Sandwich West Twp.	2,446,314	Full	13	16	None
Scarborough Twp.	5,597,988	Full	48	52	None
Sudbury	3,410,058	Principal	70	75	Full
Thorold	742,252	Full	48	..	None
Trenton	907,353	Principal	60	65	Full
Walkerville	2,623,332	Principal	64	67	Full
Weston	1,012,853	Partial	59	.	3%
Windsor	14,297,913	Full	52	55	3%
York Twp.	19,657,016	Partial	56	60	3%

†Defaulted July 1, 1935.

*Excludes debentures hypothecated for loans and contingent liabilities on debentures guaranteed.

Life Company Interest Rates Show Decline

Only Seven of 28 Canadian Companies Report Gain in Gross Rate

BLUE BOOK FIGURES

Interest earning rates of 26 leading Canadian life insurance companies show a further considerable decline during 1935 according to an annual survey made by The Financial Post. The returns have been collected from the individual companies and show the gross interest rate on mean invested assets as reported annually to the federal department of insurance.

Seven Show Gains

Of the 28 Canadian companies whose returns are available, 21 show lower interest return than in 1934 and only 7 show gains. The companies to show increases include: North American, Northern, Ontario Equitable, Sovereign, Sun, Western, and Saskatchewan.

Sun and Sovereign Life were the only companies to report higher interest rate in 1935 than in 1933.

Returns were also collected from three leading United States companies doing business in Canada and one British company. Two of these, Aetna Life and New York reported an increase in earnings during the year.

Comparative figures for the various companies for the past four years, follow:

Interest Earnings

Canadian Companies	1935 %	1934 %	1933 %	1932 %
Canada	4.55	4.76	4.90	5.34
Commercial	5.92	6.12	6.23	6.62
Confederation	5.00	5.18	5.33	5.33
Continental	5.15	5.38	5.47	5.80
Crown	5.54	5.77	5.81	5.96
Dominion	4.84	5.03	5.46	5.80
Dom. of Can.	4.95	4.97	4.97	5.64
Eaton Life	5.17	5.18	5.41	5.70
Empire	4.69	4.86	4.86	5.06
Excelsior	5.00	5.31	5.36	5.45
Great West	4.73	4.90	5.41	5.36
Imperial	4.86	5.31	5.36	5.52
London	5.45	5.46	5.66	6.33
Manufacturers	4.87	5.14	5.07	5.02
Maritime	5.25	5.40	5.23	5.56
Mutual of Can.	4.95	4.98	5.22	5.67
Mutual Relief	4.26	4.43	5.10	...
Monarch	5.90	6.30	6.10	5.84
Montreal	5.26	5.51	5.54	5.85
National	4.62	4.99	5.63	5.68
N. American	5.28	5.24	5.38	5.70
Northern	5.20	5.14	5.31	5.73
Ont. Equitable	4.87	4.85	5.44	5.74
Sovereign	5.72	5.38	4.52	5.18
Sun	4.11	4.06	4.08	4.22
Western	5.47	5.46	6.12	6.25
West. Empire	...	6.00	6.48	...
Sauvegarde	5.35	5.68	5.70	6.17
Saskatchewan	4.85	3.38	6.30	5.15
U. S. Companies				
Aetna	4.53	4.08	4.38	4.72
Metropolitan	4.08	4.42	4.70	5.28
New York	4.62	4.34	4.91	5.13
Prud. of Amer.	...	4.71	4.97	5.25
British Companies				
Prud. of Eng.*	...	4.75	5.13	5.59
Royal	...	4.11	4.52	4.71
Standard	5.08	5.14	5.21	5.45

*Ordinary branch funds.

"Brain Trust" Meets Finish In Commons

Economic Council Act Falls by Wayside at Ottawa

"SUPERFLUOUS"—KING

From Our Own Correspondent

OTTAWA.—First of the Bennett New Deal laws to fall was struck down not by the Supreme Court of Canada but by a private member of the Commons, acting with the approval of the King Government:

J. F. Pouliot, Liberal member for Temiscouata, introduced a bill repealing the Economic Council of Canada Act. It was passed by the Commons with Rt. Hon. W. L. M. King's blessing. Mr. King's statement of the Government's views indicates the general attitude of the Government toward bureaucratic legislation:

"The act provides for an economic council to advise the prime minister. I am quite satisfied with my own council; I do not think I need an economic council to tell the present government what is necessary in the way of legislation. The present government is in position to command at any time the services of any members of the public service. It seems to me wholly superfluous to have on the statute book a law which obligates the Government to bring together a number of the members of the public service and constitute them into an advisory council, when members of the public service have enough to do in their own departments if they are doing their work properly. It is unnecessary to add to public expenditure to the extent necessitated by this act. I think the Government made its attitude toward the legislation clear when we did not place in the estimates an appropriation for the legislation.... It is superfluous legislation."

Earnings of C.P.R. 200 p. c. Over 1935

Net earnings of Canadian Pacific Railway soared nearly 200 per cent in January, compared with the same month a year ago, official figures reveal.

Gross income during the month was $9.3 millions against $8.2 millions in January, 1935, or a gain of 12.79 per cent. Expenses of $8.7 millions against $8 millions in January of last year, were also higher. Net earnings for the last month at $612,572 represented an increase of no less than 199.80 per cent over the January, 1935, total of $204,313.

Earnings of C. P. R. reflect significant gains in freight and passenger revenue at a time when declines have been the rule in recent years.

Retail Stores Show Variation

Although the general index showed a more than normal decline, retail sales in certain types of stores made a good showing in January.

Monthly:	Jan.	Change From prev. period %	Change From prev. year %
Elec. pwr. output	$2,091,041	— 3	+ 3
Coal imports, tons	452,678	—43	— 5
Retail Sales Index (1930 = 100):			
Boots & shoes	61.9	—27	— 7
Candy	58.6	— 9	+11
Men's clothing	70.7	—13	+ 4
Women's clothing	57.2	—17	+ 3
Departmental	66.8	—14	— 4
Drugs	74.0	— 4	+0.5
Dyers & cleaners	74.3	— 1	+ 3
Furniture	70.9	—10	+ 7
Groc. & meats	76.9	— 2	+ 4
Hardware	86.4	+ 8	+ 7
Music & radio	52.8	+20	+19
Restaurants	53.7	— 1	+ 3
Variety	80.3	—12	+ 1
General index	70.0	— 8	+ 1
Cattle sales, No.	64,496	+ 7	+ 8
Hog sales, No.	78,446	— 2	—19
Car Financing:			
New cars	$1,035,878	—19	+59
Used cars	974,896	+ 3	+90
Contracts awarded*	$8,227,700	—39	—23
Weekly:			
Car loadings, No.	43,566	+0.7	— 3
Cattle sales, No.	13,246	—12	— 5
Hog sales, No.	20,376	+21	—17

* February.

Mussolini's "Nickel" Buy Just Load of Scrap Iron

From Our Own Correspondent

OTTAWA. — Not all mysteries, these days, come in bindings at the book stores.

Here is one puzzling Parliament Hill.

J. S. Woodsworth, C.C.F. leader, introduced it when he remarked in the Commons Tuesday that a carload of nickel was being held by the government at Kingston under the authority conferred by the sanctions orders-in-council. Mr. Woodsworth did not give the Commons all the facts which may be supplemented as follows:—

The car was supposed to contain nickel cathodes (small squares) valued at $22,000. It was shipped from Toronto and it would appear that shippers proposed to send it to Europe via New York.

Why the government intervened is not clear. Something, not disclosed, must have occurred to arouse Ottawa's suspicions. The government opened the car at Kingston and found—a heterogeneous mass of scrap iron worth a cent or two per lb. It is learned this scrap iron was boxed up just as though it were something much more valuable.

The car, it is believed, will shortly be shipped by a tramp steamer for Europe. Once on the high seas it can go where it likes. A very pronounced impression persists that it is bound for Italy.

This is the mystery. The solution, it seems, may be grasped rather quickly by Il Duce when he examines the "nickel" he has paid for.

Great Lakes Deal Faces Mill Again

The Aldrich-Gefaell deal for assets of Great Lakes Paper Co. will probably appear in Ontario courts again next week.

Application to the Supreme Court requesting approval of the transaction that was passed by bondholders in October, 1935, has to be made all over again. This results from a ruling by the Court of Appeal that the trial judge should consider the merits of the transaction.

If and when the deal is passed upon once more by the Supreme Court, there will still remain a technical right to refer the case to the Court of Appeal again.

—Drawn for The Financial Post by R. Kaell.

BUT FAINT HEART NE'ER WON FAIR LADY

Fight Looms Over Control Price Bros.

Bondholders Accept Offer of Pacona — Other Bids Likely

SHAREHOLDERS OUT

From Our Own Correspondent

MONTREAL.—A battle for Price Bros. & Co.'s assets is in the making, and control of the potentially valuable property in the Saguenay district is not likely to go to Pacona Ltd., representing Aluminium Ltd. and Lehman Bros., without a fight.

Pacona has offered approximately $20 millions for the company's assets. Of this amount about $13.7 millions would go to the bondholders in full settlement of their claims. An amount of around $1.7 millions is set aside for the assets held by Hon. Gordon Scott, as trustee-in-bankruptcy, while the balance would cover the bank and other unsecured claims. Nothing would be available for the common or preferred shareholders.

Pacona Offer Accepted

The Bondholders Protective Committee has accepted this plan with slight modifications. The plan is being considered by the trustee and inspectors, but they have as yet not indicated their acceptance.

It is understood that the Pacona plan has aroused considerable opposition among the preferred and common shareholders. Under previous offers they received an equity in the reorganized company and the feeling is that with an improvement in the industry they should be in any plan. Interests back of the Pacona offer think otherwise.

If the sale of assets is to be forestalled, it is necessary to put forward a competitive offer.

English Group to Bid

It is believed a second offer will be submitted to the bondholders protective committee and the trustee-in-bankruptcy on behalf of English interests—either Lord Beaverbrook or Bowaters Paper Mills, or possibly a joint offer on their behalf.

Lord Beaverbrook, through the London Daily Express, has been interested in Price Bros. & Co. for many years, both as a shareholder and as one of the company's principal newsprint customers.

When Price Bros. and Co. first got into difficulties, Lord Beaverbrook came out to Canada and made an unsuccessful effort to put the company back on its feet.

Bowaters Paper Mills has been interested in acquiring control of the property for some time. This is an English company and one of the largest newsprint producers in Great Britain. It secures its supply of raw material from the Scandinavian countries and would like to be able to draw upon Price Bros.' resources for pulp, as well as newsprint, as it has established markets outside of the British Isles.

Valued by English Group

In certain respects Price Bros.' property would be of more value to Lord Beaverbrook and Bowaters Paper Mills than to the Aluminium Ltd. and Lehman Bros. Aluminium Ltd. is primarily interested in restoring its power contract with Price Bros. & Co. to good standing, while to the English interests Price Bros. would be an invaluable source of supply of newsprint and pulp.

A New York banking house may put in a bid. The interests back of this reported offer-to-be are not known, but mention is made of E. A. Charlton, formerly associated with International Paper.

Hearst May Come In

This does not complete the list for one, and possibly two, Canadian groups may put in bids. Royal Securities Corp. announced a plan some time ago whereby certain timber limits and the Riverbend mill would be acquired from the company. This offer was never considered officially by the bondholders, creditors or stockholders. At the time it was understood Hearst was interested with Royal Securities.

Highlights

Is Insurance a Buy?

Inflation looms as vital problem for holders of life insurance. A frank discussion of insurance, and reviews of leading companies in special insurance feature section. Pages 13 to 19

High-priced Horseflesh

Expensive playthings, but topnotch horses can yield dividends and fleeting glory to their owners. Page 24

Canada's Next Five Years

Sir Edward Beatty, H. A. Logan and George W. Allan review Canadian problems and their probable solutions. Page 12

Hammell's Pickle Crow

Higher values at lower levels indicate significant developments at Patricia gold producer. Page 22

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Members Are Surprised at Sudden Move

M. P.'s Not Ready for Gardiner's Quizz Into Implements

PLANS NOT CLEAR

From Our Own Correspondent

OTTAWA.—Into the throng of enquiries already milling about on Parliament Hill, the government Monday night eased a probe into the agricultural implement industry.

This enquiry is to be carried through by the agricultural committee of the House and the reference instructs it to seek for the "causes underlying the high price of farm implements, with particular reference to the advance in prices for 1936."

This move on the part of Hon. J. G. Gardiner, minister of agriculture, came as a surprise to the Liberal party and to the Commons. It is learned the committee members are somewhat nonplussed by the sudden responsibility placed upon them. No plans have been prepared for the investigation and nobody has any clear idea of when it will start or where it will finish. The industry has had small respite from government X-ray apparatus in recent years. In 1934-35 the Price Spreads committee and commission had it under examination. The industry came off rather well in this test although the final report of the commission stressed the high cost of selling implements.

Discussing reduction of duties on farm implements, T. A. Russell, president of Massey-Harris Co., told shareholders at the annual meeting in Toronto, the company had never used tariff protection to raise prices. Present-day implements and prices, he said, cannot be compared with pre-war standards because there is 30 to 115 per cent greater efficiency in modern farm machinery.

Sales in 1935 were 50 per cent above volume at the depth of the depression but were only about half 1928-29 volume. He hoped the Canada-United States trade agreement would so improve farm income that there would be a greater volume of business for implement manufacturers.

Siscoe Fight Waxes Warm

Present Administration Under Fire By Group of Shareholders

Charging, among other things that the president, J. B. Lynch, "more than doubled his salary last year," a group of shareholders of Siscoe Gold Mines have formed an "Old Board Shareholders' Committee," and are waging war on the present administration of the mine, in the company's annual proxy battle.

W. A. Fensom, former vice-president, and G. N. Coyle, both at present on the board, have the support of E. C. Ford, also a director until the board was reduced from nine to seven, following the last annual meeting, and Paul Ranger, also an ex-director.

The charges of this group include the claim that Mr. Lynch "spends only a small part of his time in Canada; that since he has been president one bank account has been transferred from the company's bank to another bank, of which one of the present Siscoe directors is president, and that the company's transfer account has been given to a trust company in Montreal of which the same director is president."

The official information from this board sent to The Post also hints vaguely at "other disclosures."

The proxy battle will be fought at the annual meeting of the company in Montreal on March 16.

Details of annual report, page 23.

Bonds at 2¾ Still Planned By Aberhart

Alberta Raising Taxes to Add $3.2 Millions to Revenue

TO CUT DEFICIT

Refunding of Alberta's funded debt of $158,629,000 at 2¾ per cent to balance the provincial budget is forecast by Premier William Aberhart. The move, if successful, would save the province $3,297,519 annually, it is estimated. There is no indication, however, that bondholders will fall in with the scheme.

While federal backing of the conversion scheme is to be sought, Premier Aberhart recently announced that the government's official adviser, Major C. H. Douglas, father of "social credit," is opposed to the loan council scheme.

Since making this forecast, Premier Aberhart has announced that Major Douglas has resigned as reconstruction adviser to the government. It is said Douglas objected to the interference of R. J. Magor, Alberta's economic adviser. Aberhart later said Douglas's action would not affect his social credit plan.

Saving Not Anticipated

In bringing down the budget for the year ending March 31, 1937, Provincial Treasurer Charles Cockcroft did not anticipate this saving, but provided $7,318,438 for debt charges. The province, however, according to Premier Aberhart, expects to achieve refunding and with the resultant savings intends to meet many of the expenses of government.

With new and increased taxes expected to yield $3.2 millions of additional revenue, the government estimates the deficit in the year ending March 31, 1937, will be substantially reduced. For the year ending March 31, 1937, the budget estimates the deficit at $2,549,044 while the deficit for the year ending March 31, 1936, is estimated at $5,227,850. Successful conversion of the provincial debt on the proposed basis would enable Alberta to show a surplus on the basis of the 1936-37 budget.

No indication is given in the budget as to where the government will get the necessary money for "social credit dividends," if and when it attempts to pay them. While it is estimated new taxes and increases in existing taxation will yield $3.2 millions in additional revenue, this is a mere drop in the bucket in comparison with what would be required for such "dividends."

New Tax Proposals

Included in the tax proposals are:

New two per cent sales tax.

Higher income taxes.

Social service tax to replace the existing supplementary tax.

The new two per cent sales tax will yield $2 millions, it is estimated. While no indication is given in the budget as to how the tax is to be collected, it is believed the province plans to ask the federal government to add two per cent to the federal sales tax of six per cent. If this is done, the full eight per cent will be assessed on every invoice issued in or to Alberta points, the tax being passed on to the consumer by the retailer or wholesaler. Revenue from this tax is to be used primarily to meet expenditures for unemployment relief.

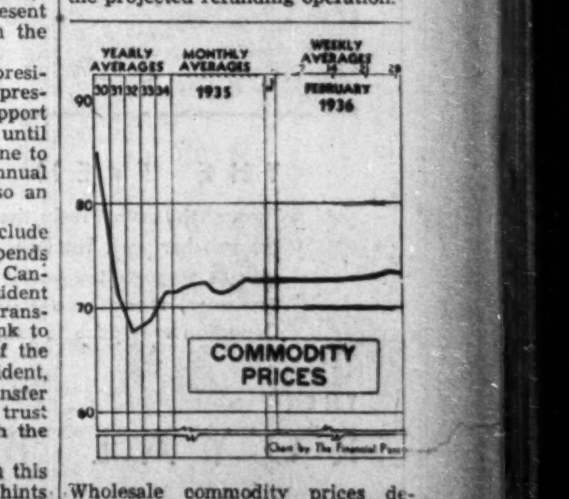
Increase Income Taxes

With levies on lower incomes to be increased, the new income tax schedule is expected to increase revenue by $650,000 to $1,200,000. The new schedule provides for a rate of two per cent on the first $1,000 of taxable income of married persons as against the present rate of one per cent, and an increase of one per cent on each additional thousand up to $10,000. The rates applicable to single persons will be increased to one per cent over the rate charged married persons and the rate for corporations will be increased from four per cent to five per cent.

The new social service tax, to be collected by municipalities, replaces the supplementary tax which Alberta municipalities have collected for the provincial government since 1921. The new tax will be based on a rate of three mills instead of two mills under the supplementary tax, and is expected to yield a total revenue of $1,223,000.

Savings Certificates

No provision is made in the budget for redemption of provincial savings certificates. The government hopes to arrange for some settlement of these liabilities in connection with the projected refunding operation.



Wholesale commodity prices declined slightly to 72.5 in the week ended Feb. 28 from 72.6 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

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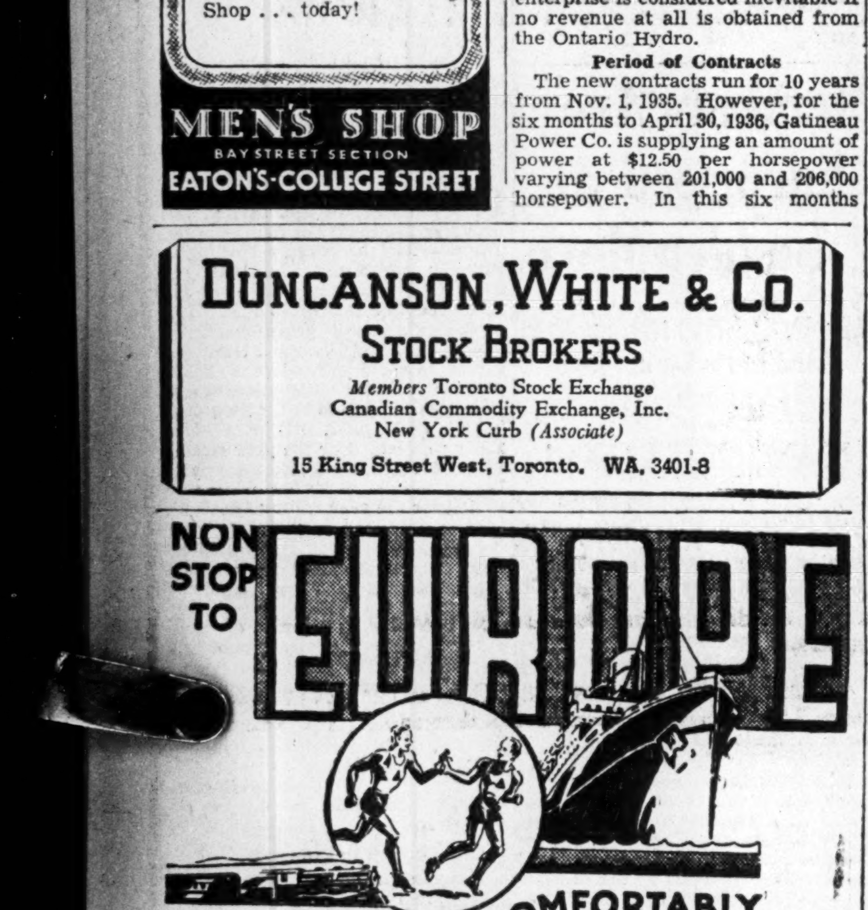

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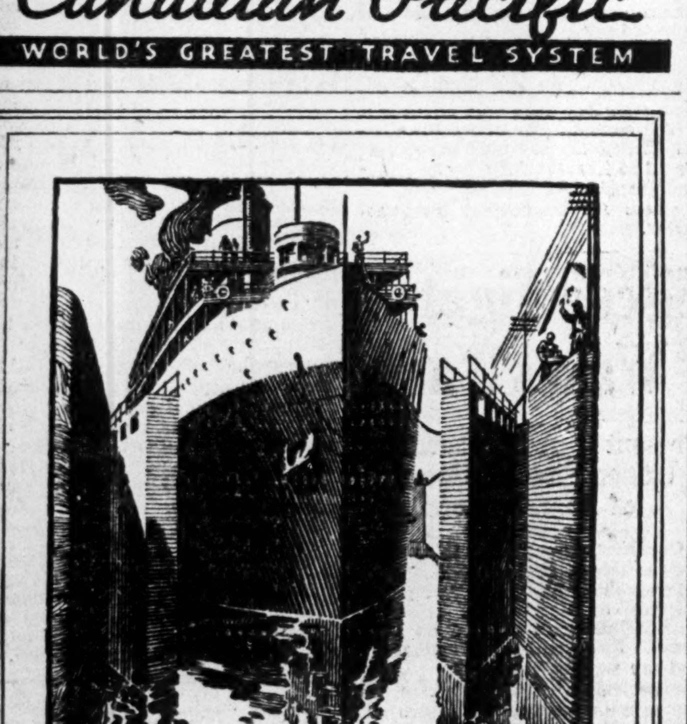

THE EVEN KEEL

Through the canal's locks, the ship moves towards her port. The Royal Bank progresses through the various levels of business, steadily assisting sound Canadian enterprise to reach its goal.

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Hydro Deals Put 2 Firms Out in Cold

Gatineau Does Best and May Recover Revenue

MACLAREN SECOND

New 10-year contracts between the Hydro-Electric Power Commission of Ontario and two of the four Quebec firms that have been supplying power to the Hydro leave Beauharnois Light, Heat and Power Co. and Ottawa Valley Power Co. entirely out in the cold.

Gatineau Power Co. comes off best, and will be able to cover all interest charges after depreciation, with a possibility of increasing its firm power sale to the Hydro.

At least for the present, there will be no revenue available from Gatineau to meet preferred dividends of Canadian Hydro-Electric Corp.

Other Companies

Maclaren-Quebec Power Co. gets a contract for 40,000 horsepower that will allow the company to cover first mortgage interest before full depreciation charges, but not after this deduction from earnings.

There is the possibility that Ottawa Valley Power Co. will be unable to meet first mortgage interest on April 1, the first anniversary of the day in 1935 when the Hydro repudiation act was introduced in the Ontario legislature.

Earnings of Calgary Power Co., which controls Ottawa Valley Power Co., will be reduced under the present arrangement. Interest, however, will be covered by Calgary Power from other sources.

Reorganization of the Beauharnois enterprise is considered inevitable if no revenue at all is obtained from the Ontario Hydro.

Period of Contracts

The new contracts run for 10 years from Nov. 1, 1935. However, for the six months to April 30, 1936, Gatineau Power Co. is supplying an amount of power at $12.50 per horsepower varying between 201,000 and 206,000 horsepower. In this six months period the new Gatineau contract for the Niagara system does not apply. The contract basis becomes effective May 1, 1936.

The reason for the special Gatineau arrangement for the six months to April 30 next is that the Ontario Hydro is at present supplying surplus power at low rates to industries in the Niagara Peninsula. This special arrangement with Gatineau gives the Hydro's industrial customers time to change over to steam plants for their power.

* * *

Gatineau Power Contracts

Two new contracts have been made with Gatineau Power Co. to supply power to the Hydro. One covers 60,000 horsepower of 60-cycle power for the eastern Ontario system. The other covers 260,000 horsepower of 25-cycle power for the huge Niagara system of southwestern Ontario.

Gatineau Power Co. gets a minimum revenue from the new contracts with the Hydro-Electric Power Commission of Ontario of slightly over $2.4 millions a year. This means a reduction of revenue, from the Hydro, as compared with the company's 1934 results, of about $2.2 millions annually.

At a minimum, the result would be to allow the company to cover all bond interest even after depreciation.

Contract Basis

The basis on which the new Gatineau contracts is drawn, however, leaves room for greater sales of firm power to the Hydro and may therefore eventually result in considerably improved revenue.

The minimum contracts for 10 years are as follows:

Gatineau Power 25-Cycle Contract	
100,000 h.p. firm at $12.50	$1,250,000
33,000 h.p. stand-by at $10.00 ..	330,000
127,000 h.p. reserve at $1.75	222,250
Total 60-cycle revenue	$1,802,250
Gatineau Power Co. 60-Cycle Contract	
42,000 h.p. firm, at $12.50	$525,000
9,000 h.p. stand-by, at $10.00 ..	90,000
9,000 h.p. reserve, at $1.75	15,750
Total 60-cycle revenue	$630,750
Grand total, Gatineau Power revenue from Ontario Hydro.	$2,433,000

At the peak of its load, say in November, 1936, the Hydro might take part of the 25-cycle reserve in the form of firm power at $12.50 instead of at $1.75. Horsepower so transferred from the reserve to firm power remains in the contract at $12.50, even though at another season it may not be indispensable to the Hydro's operations.

Change Exemplified

For instance, next November, the Hydro might take 25,000 horsepower under the firm section of the contract. The basis of payment to Gatineau would then stand for the term of the contract as follows:

125,000 h.p. firm at $12.50	$1,562,500
33,000 h.p. stand-by at $10.00 ..	330,000
102,000 h.p. reserve at $1.75	178,500
Minimum to Gatineau	$2,071,000

* * *

Maclaren-Quebec Contract

The new Hydro contract with Maclaren-Quebec Power Co. is for only 40,000 horsepower at $12.50, without any additional purchase by Hydro. There is no provision for any stand-by or reserve. Interest will be covered on the $18 millions of 5½ per cent bonds before depreciation, but not after this deduction.

Revenue to Maclaren-Quebec from Hydro, therefore, will be $500,000 annually. It would have been $1,875,000 per annum from Nov. 1, 1936, under the original contract.

Maclaren-Quebec Power Co. has been delivering 40,000 horsepower to the Hydro since 1934, so that 1935 earnings may be taken as a guide to results under the new contract. However, it is necessary to deduct $100,000 from the 1935 income of the company to allow for the reduction in price from $15 to $12.50 per horsepower. On this basis, the income in 1935 would appear as follows:

Maclaren-Quebec Adjusted Income	
Net operating earnings	$1,140,899
Less: Deprec., depletion	253,172
Bond and other interest	984,360
Deficit after deprec.	$96,633

Silver Prices

Trading in Montreal
Feb. 24 to Feb. 28

	High	Low	Close	Contracts
Mar.	44.80	44.30	44.30	74
May	44.75	44.50	44.75	42
July	44.95	44.60	44.95	28
Dec.	45.30	45.19	45.19	5

The Nation's Business

(Continued from page 1)

citizens have private debts. On top of them they bear the burden of public debts and, as Sir Edward Beatty points out elsewhere in this issue, every public debt is really a private debt.

What are these debts? Every British Columbian owes $409 as his share of the funded and railway debt of the Dominion. He owes $213 as his share of the funded debt of his own province (after allowance for sinking funds). He owes $57, which is the average per capita municipal debt of the province. The total is $679 or considerably over $3,000 per family or household.

Yet British Columbia is only half developed as yet. It will require millions more for development. How is it going to raise the money? That is a question worthy of attention.

* * *

$6 Millions For Politics

THE main estimates of the Dominion Government brought down in the House of Commons reflected a desire for economy in the public service, and represent some rigorous paring.

But it will take a lot of economy in ordinary government expenditures to balance the preposterous payment of some $6 millions which is to be made to the wheat pool in respect to the crop of 1930-31.

The proposed payment arises in some way out of the involved relations between the government of Canada and the wheat pools in connection with the wheat stabilization enterprise carried on under the jurisdiction of John I. McFarland. It will add another $6 millions to the cost of such operations which even without this new payment already threaten a loss of not less than $30 millions to Canada. Another $10 millions, or so will evidently be lost on the current year's operations of the Dominion Wheat Board. Count in $23 millions which has been added to the debts of the three prairie provinces from their pool guarantees in 1930. Before the present wheat position of the government of Canada is liquidated $70 millions and perhaps more will have been added to the public debts of the country on account of wheat ventures.

* * *

THE payment now in prospect is indefensible on any grounds, moral, legal or equitable. If the Dominion Government had any money belonging to the pools it would be proper to turn it over. If the Dominion Government had made any money out of wheat transactions with the pools, objections to letting the pools get all the benefit while the government had carried all the risks might not be insuperable. If the Dominion Government had dealt with the pools in a way to cause them to lose money, reimbursement might be considered.

Not one of these things is true. Nor is it true that there is any contractual obligation to make such a payment.

* * *

APPARENTLY the administration now in office believes that the government was sufficiently committed by the actions of the former administration to make it necessary to carry out an implied promise made immediately before the recent election. Convincing evidence to that effect has not yet appeared. The situation may be made clearer when the matter is discussed in Parliament, and will be if members of both Houses perform their duty.

In the meantime the country is getting $6 millions worth of politics, without being quite sure where the blame should rest.

WPG. ELECTRIC RAILWAY BONDS TO BE PAID OFF

Issue Maturing a Year Ago Will Be Redeemed by March 31

From Our Own Correspondent

MONTREAL.—Holders of Winnipeg Electric Railway Co. first refunding mortgage 30-year, five per cent sinking fund bonds, which matured January 1, 1935, will have them redeemed in Canadian or American funds at any time up to March 31, 1936, together with accrued interest to the date of redemption.

These bonds were issued in 1905 to the extent of $5 millions. From time to time various amounts have been acquired for the sinking fund and held by the trustees, so that the amount now outstanding in the hands of the public totals only $2,805,000.

Ordinarily the bonds would have been redeemed on maturity. This course was not altogether practicable at the time as plans were not completed for the reorganization of the parent company and other subsidiary units. These plans have since been approved by the court.

Funds for the redemption of the Winnipeg Electric Railway bonds will be provided out of a new bond issue which will be issued by the Winnipeg Electric Co. up to an amount of $3.5 millions. It is anticipated that the latter public financing will be carried out shortly by Nesbitt, Thomson and Co.

Dominion Stores Sales Continue to Increase

Further gains in sales of Dominion Stores are announced for the four weeks period ended February 22, when sales reached $1.45 million compared with $1.35 million in the corresponding period of 1935, or a rise of 7.36 per cent. The increase follows a gain of 15.23 per cent in sales in the four weeks ended January 25, compared with 1935.

The February increase is the fourth consecutive one since November 30 when sales showed their first upward tendency after declining since the beginning of 1935.

Ellis Park Now Paying Coupon for Feb. 1, 1935

Ellis Park Apartments, Toronto, is paying coupon 20, due Feb. 1, 1935, on its seven per cent first mortgage bonds. The payment is being made March 5, 1936.

Directors are of the opinion that bondholders should reduce the interest rate so that interest can be paid regularly and still leave something each year to apply on sinking fund, state Stewart Scully Co. who originally underwrote the bonds. This proposal will be submitted to bondholders, carrying the condition that bondholders will receive one-half the equity represented by shares of the company.

Abitibi Power Reorganizing In Short Time

Plans Maturing to Take Newsprint Company Out of Receivership

EARNINGS LARGER

Abitibi Power and Paper Company's annual statement soon to go out is expected to show sales of about 290,000 tons, an increase of about 50,000 tons over 1934. In 1934 the company was operating at about 34.4 per cent of total capacity. Apparently in 1935 this was raised to about 40 per cent capacity.

It is expected the company's earnings in 1935 on this increased capacity will show about $1.2 millions excess of income over expenses before depreciation or bond interest. In 1934, the total was $953,928, and in 1933, $1 million. The latter amount included about $649,588 received from U. S. exchange.

Talk Reorganization

It is probable an effort will be made to reorganize the company in the near future. Statements credited to members of the Ontario Government indicate that these would like to see the company taken out of bankruptcy.

In a reorganization plan protective committees already existing and some perhaps yet to be formed would have to take care of $48.3 millions of series A first mortgage 5 per cent bonds due 1953; $1 million of 7 per cent cumulative preferred $100 par value, $34.9 millions of 6 per cent cumulative preferred of $100 par value, and 1.1 million no par value common shares.

The company went into receivership June 1, 1932, on failing to make payment of the half-yearly interest coupon maturing on its 5 per cent bonds.

Without taking into account depreciation, the present income is not more than half enough for those bonds. Under these circumstances, it is apparent that interest on preferred and common shares would be represented in a reorganization by a drastic cutting-down in the number of shares. These would have to take an inferior position to the bonds.

Current Position Better

At the end of 1934 current assets were $4.1 millions and current liabilities $4.3 millions. The deficiency in working capital was therefore $243,931. It is understood that there has been an improvement in the current position during 1935.

One of the obstacles to reorganization in the past has been the company's various contingent obligations with respect to power contracts with mills now regarded as obsolete. If the government is able to arrange for cancellation of those contracts which cannot be made use of, it is possible the revenue of the company might take quite a jump. Many believe the position of the company from the earnings standpoint would be immensely improved if it could eliminate from its assets the mills that are now idle and are likely to remain idle. From time to time there have been reports of various interests looking at some of these mills now idle to see if they are available for other purposes. There is always the possibility of some sale or exchange made in this way proving of value to the company. At the end of 1934, there was still shown an amount of $2.7 millions owing on purchase of the Thunder Bay Paper Company.

For 1936, prospects are regarded as improved. The action of one large producer in setting a price of $1 above the 1935 price of $40 per ton is expected to be adhered to generally.

Newfoundland Loses Industrial Leader

The death at St. John's, Newfoundland of Hon. F. C. Alderdice removes from that country's legislative and business life a man who played an important rôle in the new era which was introduced with the formation of a Commission government in 1934, and who was for many years identified with industrial enterprise on the island.

His most important work was since his appointment as a member of the Newfoundland Legislative Council in 1924, which led ultimately to his becoming Prime Minister of the Colony—an office which he held from 1932 until the introduction of Commission government in 1934. Since that time he had been vice-chairman of the commission, in charge particularly of Home Affairs and Education. This latter subject was one to which he had devoted a very large measure of time and thought.

In spite of serious physical handicaps he was untiring in his efforts to improve conditions in his adopted land. His major contacts with Canada were obtained as Newfoundland's chief spokesman at the Ottawa Conference in 1932. He was born in Ireland, 64 years ago.

Shawinigan Bond Offering Of $17 Millions Announced

From Our Own Correspondent

MONTREAL.—Shawinigan Water and Power Co. is taking advantage of the prevailing low interest rate to make a public offering of a refunding issue $17 millions of four per cent 25-year first mortgage and collateral trust bonds. The issue has been underwritten by a syndicate headed by Aldred & Co. Ltd. and are being offered at 99.50 to yield four per cent.

With the proceeds of the issue the company will retire all its outstanding series C five per cent bonds, amounting to $14,980,000. The series C bonds are being called for redemption at 105.

Although only $17 millions of the series C is being sold, the authorized amount of the issue is $30 millions. The remaining $13 millions is to be used to replace series E five per cent which for the most part has been unissued. A total of $2.9 millions of balance not being offered are to be used to replace a similar amount of series E bonds as collateral for $2 millions of short term notes and as collateral deposited with the Quebec government. The remaining $10,096,500 are to remain unissued for the present at least.

On the basis of 1935 earnings of $7,560,723, interest on funded debt to be outstanding on completion of the new financing was earned 1.95 times. Saving in interest charges will amount to $139,663, it is estimated. Interest charges in 1935 were $4,018,758.

Carries New Features

The new issue carries several features. The bonds are payable in Canadian funds only, whereas all former bonds have been payable in American and Canadian funds, as well as in sterling. At times the premium paid on foreign exchange to meet interest has run into large sums.

In 1931 the company paid out on this account $200,000; in 1932, $605,432; in 1933, $377,957 and in 1934, $62,585. The new financing, of course, will not relieve the company of this obligation, as the major part of the funded debt will still be payable in the three markets.

ONTARIO MUNICIPAL DEFAULT LIST SHOWS DARK BOND OUTLOOK

(Continued from page 1)

has been downward and this, it is expected, will be reflected in improvement in municipal finances in 1936.

Below the present situation of the defaults in Ontario is surveyed.

Village of Belle River is a "technical default," some temporary delays being experienced in collecting debenture payments. These are usually remedied in two or three weeks.

Blind River is one of the most recent Ontario defaults. Bond principal and interest due Nov. 1, 1935, was not paid. Bondholders have been advised that with over 50 per cent of the population in receipt of relief, the town will not be able to meet principal and at least part of its interest as long as it has to pay its 20 per cent share of relief costs. It is likely that refinancing will be necessary.

Brantford R. C. Separate School Board is one year in arrears on bond principal and interest. Interest is being paid on overdue interest.

Calvert Township is in default on both interest and principal. Until a financial survey and the 1936 budget have been completed, it will not be known when the municipality will be able to resume debenture payments.

Chippawa, in default on debenture principal, expects to be able to pay in full after internal reorganization has been completed.

Dundas was a temporary default in 1935 through deferment of principal and interest in March and April as a result of budget difficulties. The town is not now in default as all arrears have been paid.

Dysart Township is in default as to both principal and interest and is operating under the supervision of the Department of Municipal Affairs.

East Windsor is a part of the new city of Windsor, operating under the Windsor Finance Commission. The city is in default of both principal and interest. A tentative refinancing plan presented by the Windsor Finance Commission provides for a reduction of 50 per cent in principal and a reduction of interest to three per cent, the new debt to be retired in 45 years. The plan is not acceptable to the bondholders' protective committee and negotiations are proceeding.

East York Twp. has been paying three per cent on account of debenture interest. The township is operating under Supervisor A. J. B. Gray. A finance commission consisting of J. M. Macdonnell of the National Trust Co. and T. Bradshaw of North American Life Assurance Co. is making progress with respect to plans for debt refunding.

Essex has been in default as to both interest and principal since Feb. 1, 1933. No payment is probable until refunding plans have been worked out and approved.

Essex Border Utilities Commission was dissolved by the Windsor Amalgamation Act, 1933, and its assets vested in the new Windsor Utilities Commission. It will be impossible for the default to be straightened out until the municipalities served by the commission have refunded their debts.

Etobicoke Township has paid interest in full, but no principal. Debt refunding plans are under way by the finance commission appointed to investigate Toronto suburban municipalities.

Fort Erie defaulted on both principal and interest in 1934 and is now operating under Supervisor R. J. Moore. No provision for debenture interest or principal was included in the 1935 levy. While the town's financial position has been improved there is little prospect of a resumption of payments until a refunding plan has been put into effect.

Hawkesbury expects to give serious consideration to refunding of debt during 1936. In default as to both interest and principal, the town is under supervision of the Department of Municipal Affairs.

Kingsville defaulted debenture interest April 1, 1935, being placed under the supervision of the Department of Municipal Affairs.

La Salle has been in default as to principal and interest since Feb. 1, 1932. There has been little improvement in the town's position.

Lancaster Twp. is not now in default, In 1935, a "technical default" occurred when interest and principal due March 1 was deferred. Full payment was made, however, on Nov. 1.

Leamington, in default on principal, is paying interest in full.

Leaside is another Toronto suburban where plans for debt refunding are proceeding. J. M. Macdonnell and T. Bradshaw are fiscal agents. Default on interest occurred July 1, 1935. The town had previously been in default of principal since Dec. 31, 1932 and A. J. B. Gray was appointed supervisor in June, 1935.

Midland bondholders are not likely to receive any payment until the town's debt is refunded. Full default continues.

Mimico is operating under Supervisor A. J. B. Gray. Fiscal agents of the town are working on a refunding plan. No action has been taken on the suggestion of the committee of supervisors that, up to the end of 1938, four per cent interest be paid, but no principal, principal and interest to be resumed in full in 1938.

New Toronto is in the same position as other Toronto suburbans. The town is operating under a supervisor and a finance commission is working on refinancing scheme.

Niagara Falls is paying interest in full although temporary deferment of payments had to be made in 1935. It is reported that a refunding plan is being worked out.

North York Twp. expects that fiscal agents will report on a plan of refunding in the near future. In 1935, the township paid three per cent interest, but no principal.

Pembroke is not making any debenture payments. In 1935, the town made no provision for such in its tax levy. The budget was balanced on a basis of a 75 per cent collection of the current levy, the balance being shown as a reserve for uncollectible taxes.

Penetanguishene continues in full default. It is reported that resumption of debenture payments in the near future is not probable. The 1935 budget was drawn up to permit the town to meet operating expenses out of collections of the current levy, no provision is being made for debenture payments.

Point Edward defaulted on principal and interest at the end of 1935.

Riverside is one of the worst defaults. There is no prospect of payment to bondholders until the town's debt has been refinanced.

Rockland continues in default of interest and principal.

Sandwich, now a part of the new city of Windsor, continues in full default. Under the Windsor refinancing scheme it is proposed to reduce debenture principal 65 per cent and interest to three per cent, the debt to be retired in 45 years.

Sandwich East Twp. is in full default as to interest and principal.

Sandwich West Twp. continues in default of interest and principal.

Scarborough Twp. is working on a refunding plan. J. M. Macdonnell and T. Bradshaw are fiscal agents. The township defaulted principal in 1932. In 1934, interest was reduced to four per cent on account and in 1935 defaulted in full.

Sturgeon Falls paid arrears of principal and interest in full on Feb. 1, 1935, but defaulted again on March 1, 1935. The town expected to be able to pay all arrears but has been unable to do so since it has had to assume 20 per cent of the relief burden. With 60 per cent of the population on the relief rolls there is little prospect of early resumption of payments.

Sudbury is gradually improving its financial position. In 1935, the city lived within its budget and reduced its bank loans. A sinking fund is being built up and a cash balance accumulated. Debenture interest is being paid in full.

Tecumseh continues in full default of interest and principal.

Thorold went into default on March 1, 1935. It is reported that the town will not be able to resume debenture payments until a refinancing scheme has been worked out. No action has yet been taken with regard to a refunding scheme.

Trenton is paying interest in full, being in default of principal only.

Walkerville, now a part of the new city of Windsor, paid interest in full up to the end of 1935. The tentative Windsor refinancing scheme provides for a 10 per cent reduction in principal and a reduction of interest to three per cent for five years and thereafter to 3½ per cent. The proposal is being opposed by bondholders.

Weston paid three per cent on account of interest in 1935. At the present time, a refinancing scheme is being worked out by fiscal agents, J. M. Macdonnell and T. Bradshaw.

Windsor paid three per cent on account of interest in 1935. Nothing was paid on account of arrears of interest. Interest due in 1936 has been deferred pending settlement of the proposed refinancing scheme which provides for a 25 per cent reduction of principal and a reduction of interest to three per cent, the new debentures to be retired in 45 years. The reduction is being opposed by bondholders.

York Twp. defaulted principal in Oct., 1933. Interest was paid in full to Feb. 1, 1935, when it was reduced to three per cent on account. Progress is being made by fiscal agents in working out a refinancing scheme.

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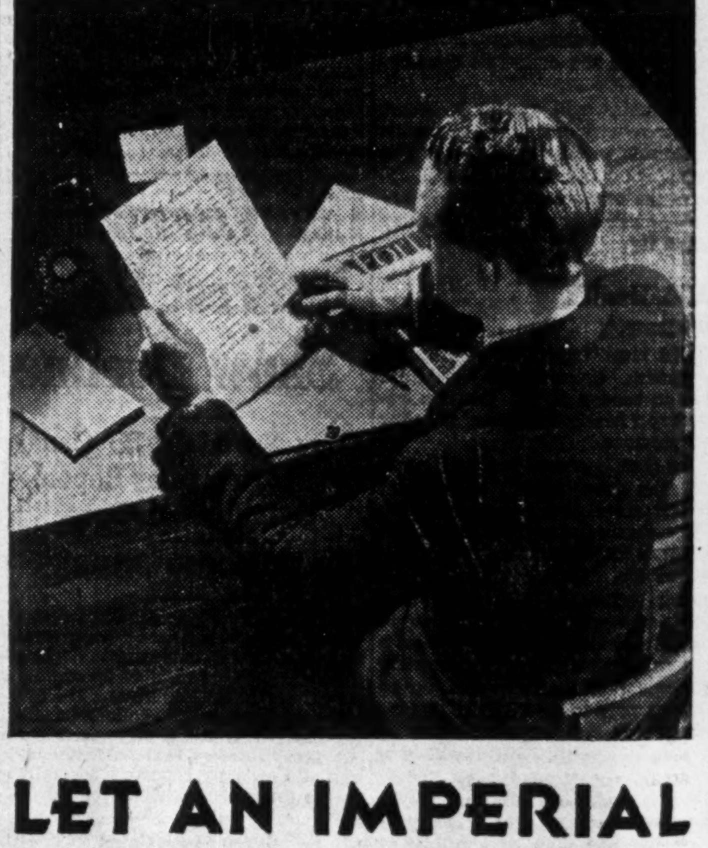

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"Box Office" Pictures Help Famous Players To Maintain Earnings

Vastly Improved Color Films Will Feature Year

TAXES LIMIT PROFITS

Moving picture films with better "box office" value will probably enable Famous Players Canadian Corp. when the annual report comes out in a month or so, to show almost the same earnings in 1935 as it did in 1934. There would have been an increase but for the Ontario amusement tax increase.

Famous Players earned in 1935, it is understood, all the interest on its $5 millions of 6 per cent first mortgage, 20-year bonds, due 1948, and its 6½ per cent bonds due 1948, of $2.8 millions.

In 1934, the company not only earned its bond interest twice over but showed 82c. a share on common stock as well. It therefore started to pay dividends in 1935. It was expected this would be continued as the company made good progress in the first six months. The increase in amusement taxes on June, 1935, by the Ontario Government affected more than 30 per cent of the total business of the company, however. Later in 1935 the province reduced taxation to a certain extent but it is claimed by the industry that it will be necessary to get back to the level existing before June 1, 1935, before there is smooth sailing.

Mutiny Brings in Bounty

By reason of getting a number of films of great pulling power the company managed during the latter part of 1935 to regain some of the ground lost when the taxes were raised in the summer time.

Prospects for 1936, aside from uncertainty about taxes, are good. There has been loss of business in Western Canada and in many sections in recent weeks due to severe weather.

Business in 1936 is given tremendous early aid by the returns being received from the film, "Mutiny on the Bounty."

Milk and Honey Draw

A similar reception has so far been given to Harold Lloyd's, "The New Milky Way," a comedy which is proving of great pulling power.

Marlene Dietrich will be featured soon with Gary Cooper in a picture, "Desire," which the producers believe will be her finest vehicle since "Shanghai Express."

Get Best Color Picture

"The Trail of the Lonesome Pine" is going to be presented in natural colors. It is claimed technicolor has actually succeeded in getting the natural tints and shades of the faces and skins of actors and actresses as well as the landscape tones. It will feature Sylvia Sydney, Fred MacMurray and Fred Stone. It is being advertised as the really first successful effort in color.

J. J. Fitzgibbons, of Famous Players Canadian Corp. says it is really as significant a development as was the first talking picture of importance, "The Frisco Kid." This is so much the case that several of the major distributors have announced they will have a number of color pictures in the next season's products. A great many people were interested in "Becky Sharp," Thackeray's famous novel because it was advertised as a color picture. It did not succeed, however, in getting the natural tones to perfection and the picture did not prove a commercial success. Producers have been hammering away at the problem and claim that they have struck oil in "The Trail of the Lonesome Pine." Technicolor shares have been rising in consequence.

Rose Marie Chases Chaplin

Charlie Chaplin's new picture, "Modern Times," will naturally draw curious crowds. Charlie has not queered his market by appearing too often or in poor pictures. It has been so long since he brought out a new picture that it is expected there will be crowds. After Charlie's picture "The Trail of the Lonesome Pine" will probably be shown in Canada. It will soon be plain whether or not the industry can climb into the old prosperity again on the back of "color."

"Rose Marie," always a success on the operatic stage, is now expected to be doubly so with Jeannette Macdonald and Nelson Eddy.

Quintuplets' Premiere

The first big adventure of the Dionne Quintuplets into the movies will soon be shown in Canada. The world's premiere of "The Country Doctor" opens in Toronto on March 5. Dr. Allan Dafoe, the doctor who ushered the quintuplets into life, fame and health, has been induced to make a personal appearance for the opening night.

Old Stars Rise Again

The new Mae West picture, "Klondyke Annie" is proving so far in the United States a better box office draw than any Mae West picture to date. She will appear with Victor McLaglen, who was given highest honors for his acting in the film, "The Informer."

Fred Astaire and Ginger Rogers have always drawn crowds because of their snappy dancing and devil-may-care acting. It is all there in "Follow the Fleet" once again.

"The Magnificent Obsession" has been a great money-getter for Famous Players. The writer must confess it leaves him cold but it has "something" that large numbers of people have wanted.

The company has made arrangements for a number of British pictures. Jessie Matthews in "First a Girl" is already being shown. "The Ghost Goes West," features Robert Donat, who made a hit in "Thirty-nine Steps," and Jean Parker. It is getting favorable criticisms both in England and the United States at present.

Made Director

ARTHUR F. LEGGATT, Jr.

Who becomes director and sales manager of N. A. Mitchell & Co., security dealers of London, Ont. Mr. Leggatt has until recently been branch manager of the London office of the Ontario Equitable Life Assurance Co.

Rhodes, Shakespeare, Hepburn

"Rhodes, Empire Builder" has drawn great attention in England from the time Walter Huston landed to star in it. Practically every incident in the taking of this historical film has drawn attention in the British press. Warriors were brought from South Africa for it and close relatives of Kruger and some of the principal actors helped in the building of this picture.

Katherine Hepburn will make one of her most ambitious efforts in "Mary, Queen of Scots." It will soon be in production and will be seen in Canada.

"Midsummer Night's Dream" by William Shakespeare has been shown for a year at Grand Opera prices. It will be shown generally in the theatres before 1936 ends at popular prices.

Korda's Million Dollars

Korda, who has a great reputation for the making of fine pictures in England, is pouring a tremendous amount of money into H. G. Well's "One Hundred Years from Now." Already the negative investment in the picture exceeds $1 million. And the end is not yet. It is one of the costliest pictures ever made to date, especially in Great Britain.

It has not been all velvet for Famous Players and other distributors. Some largely advertised pictures have failed. Exhibitors have burrowed deep to get at the reasons for failure of such apparently fine films as "Last Days of Pompeii" and "Becky Sharp" to make money.

Star, Story or Producer

Mr. Fitzgibbons says people can no longer be drawn, as they used to be, by the mere magnitude of a spectacle. They are used to magnificent spectacles in the movies. The novels from which these films get their titles are regarded as great literature. But the public did not come to see them. Exhibitors again are studying Tom, Dick and Harry to ascertain which is most important to them the star, the story or the producer.

The company is building a new theatre in Sarnia and on Eglinton St., Toronto, it will have a new theatre opened within the next month. A new theatre at Penticton, B.C., has been decided on. The company has also acquired interest in two other theatres recently.

Tobique Valley Railway Sold to Saint John Men

From Our Own Correspondent

MONTREAL. — Tobique Valley Railway, running 26 miles from Perth Junction to Plaster Rock, N.B., has been sold for $100,000 to S. Ronald Jones and E. B. Harley, of Saint John, at public auction.

In 1897, the year of its completion, the railway was leased to the Canadian Pacific Railway for 99 years. The revenue from the C. P. R. is the only source of income for the purchasers for the next 60 years.

Radio Tubes

Production of radio receiving tubes in Canada numbered 2,151,041 units worth $1,214,365 in 1935, a decline of nine per cent in number from the 2,367,674 tubes made in the previous year and an increase of 24 per cent over the 1,731,569 tubes reported for 1933.

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BISMARCK HOTEL CHICAGO

Long Debate In Sight On Trade Pacts

Every Tariff Item Affected Coming Under Scrutiny

ARGUMENTS CONFLICT

From Our Own Correspondent

OTTAWA.—With the opening of the debate in the Commons last week on the U.S.-Canada trade agreement, the first major post-election political issue in the Dominion field has been irrevocably joined.

Rt. Hon. W. L. M. King, Canadian negotiator of the pact, arrayed the Liberal party in support of the agreement. Rt. Hon. R. B. Bennett, marshalled the Conservative party in unqualified opposition to it.

Chief arguments may be summarized as follows:

For the Treaty

Wider export markets for basic industries; an aid to recovery; an easement of burdens on consumers; an increase, through lower prices of manufactured goods, in real wages; a means of cheapening production by lower tariff on implements of production; better international relations and a body blow at economic nationalism. Mr. King sees the treaty as a potent instrument for expanding trade both ways and greater trade, he says, must end hard times.

Against the Treaty

Lower tariff will cripple Canadian industry bringing less employment and harder times; all-Canadian transportation channels will suffer (making the railway problem more acute) because the treaty will stimulate north and south at the expense of east and west traffic; Canadian ports will suffer by reason of the transshipment facilities now granted to the U.S.; the advantages gained on cattle, lumber, whisky and minor items are "slight" in contrast with the great sacrifices involved for Canadian industries; the bargain overwhelmingly favors the U.S. Mr. Bennett pleaded with the government to raise the intermediate tariff (granted to the U. S. as part of the deal) this budget in order to save industry from ruinous competition.

A prolonged debate on the treaty is certain. After the resolution there is to be a bill and the schedules of the Canadian tariff reductions are to be considered item by item in committee of ways and means. The treaty will be fortunate to emerge from the Commons by March 31. Its approval by the Senate is taken for granted.

Seek Way Out

Subsidiary legislation arising out of the treaty has not yet been introduced. The most important measure is the $100 exemption to be granted Canadians visiting the U. S. Efforts to hedge this concession in such a way as to prevent undue injury to merchants at border points and industry in general are being made.

Floods of representations are reaching the government and careful consideration is being given to all points raised. The government is endeavoring to obtain a reliable estimate of the volume of goods which will enter Canada duty free under different types of regulation.

Mr. Bennett stated in the Commons that if the exemption privilege is available twice yearly it will mean the import each year of from $50 to $75 millions of free goods.

Ontario Hydro Prospects Good for Better Business

Swift Growth in New Uses of Electric Furnace For Castings and For Annealing—Lighting and Air-Conditioning Demands Should Mount Steadily

Prospects of Hydro-Electric Power Commission of Ontario for increasing sale of power in 1936 and following years are very good. The load has been increasing monthly through 1935 with increasing industrial activity. The load is not increasing so much from the addition of new users, as because new uses are developing for power. Some of these new uses promise to become very important in the future business of Hydro.

The development of the electric furnace will call for increasingly heavy loads for castings and for annealing. Research work of an important sort has been done by the engineers of Hydro in connection also with the use of power for air-conditioning. Greater sales of power by Hydro are sure to result from these new uses.

The oldest use of all, that is, current for lighting, is capable of immense expansion even though the number of consumers does not increase. The Commission is now aiding municipalities in a campaign to show the need of more light in Ontario homes. This campaign is backed by latest researches as to the eye's requirements.

R. T. Jeffery, chief municipal engineer of the Commission, told The Financial Post that the market is very far from being near the saturation point for domestic uses.

"We have installed more than 30,000 cheap water heaters in the homes of the province and they are working very satisfactorily. They are bringing in a revenue of $800,000. The Commission is getting its costs out of this service. The municipalities also get back the cost to them of this power and their distribution costs as well.

"In our effort to get new commercial loads, we are having considerable success. Industry itself is developing in a way that results in new business for us yearly.

Castings Improve

"For example, industrialists have found that the castings made by an electric furnace are so homogeneous in molecular structure that the cranks for automobile engines are now cast instead of forged. That is an advance in the art of casting which was unheard of five years ago. It has increased with the use of alloy steels. The electric furnace melts the steel down to make the proper alloy and produces castings which are almost perfect. They can get strength by this means into a casting which they could never get into castings in the old days. The Ford Company at Ford City is making large use of this method. It is proving excellent in making engine blocks, for example.

Fosters Tinplate Industry

"Annealing is another development which is proving of importance to Hydro. The annealing of castings for agricultural implements and for the products of big companies that handle a lot of castings is growing. The difficulty previously was that the gas from the coal fuel used for annealing was apt to injure the castings.

"Annealing is proving exceptionally successful in tinplate work. The making of tinplate in Canada is merely in its infancy. Up to 1935 it was nearly all imported from the United States. Now it is being rolled all the way from the ingots right down to the tinplate. This is being done in Hamilton and I think steel companies in other parts of Canada are being lined up as well to make tinplate. In this industry the plate has to be absolutely clean or the tin will not stay on. They cannot afford to let any gas get at it.

"The electric furnace is proving more and more useful in the making of high-grade steel. The demand for electricity for the making of steel alloys has developed in the last three or four years. One company which has been supplied by Hydro power throughout the depression makes high-grade tool steel of much better quality than has ever been made before in this country. It was so effective that even through the depression this company kept its load fully up to its boom time requirements.

More Light Needed

"The suppliers of electric power are just beginning to see the possibilities of the lighting field. This has come about through intensive research work and study of lighting conditions in the open. It has been discovered that nearly everybody needs more light than he actually gets for inside work. Hydro is likely to get a lot more revenue as soon as people wake up to the fact that they have been straining their eyesight unduly and needlessly.

"Ontario Hydro is conducting an educational campaign throughout the municipalities with the object of inducing the people of Ontario to use more light and to insist upon it both in the homes and in the factories. Two or three ladies, who are experts on lighting, are sent out to address meetings of women's institutes. In one way or another, the useful information given in this campaign is percolating out to the general public.

"Naturally, the problems now facing Hydro are different from what they were before the depression. Once our sole problem was just to keep sold on power development. We had to use every possible means to keep up as best we could to the demand. We didn't have to sell current. The business came to us. But since we got surplus power it has required a more intensive study of markets and the needs of industries and of homes. Hydro has been helping the municipalities in every way it could to build up loads and to build up load factors.

"We are carrying on a campaign for installation of more electrical ranges. This business is developing quite well.

"Our average monthly per capita consumption for house lighting or domestic use has grown until we are away ahead of any other country. We do not think, however, that we are anywhere near the saturation point in our domestic load.

Power for Air-Conditioning

"It is impossible to judge how far we may be taken in the demand for power created by the trend toward air-conditioning. That should be quite a load builder.

"Air-conditioning is being held back to a certain extent at the present time because many people think it is only for the wealthy. I am quite convinced that it is not. I am quite convinced that air-conditioning can be installed in the average home at a very reasonable cost well within the limits of the average man's purse. I do not think a $500, $600, $900 or $1,000 expenditure will prove at all necessary in the majority of homes.

Costs Coming Down

"In fact, our researches lead us to expect that there will be effective installations at quite a low figure. Costs will come down if units are made in quantities. This is a development which I am sure will add more to the health of people living in Canada in the winter time than anything else we can do.

"Undoubtedly there will have to be some changes in building. Our windows are not properly made. One thickness of glass is not enough with air-conditioning equipment. I see no reason why there should not be made some kind of window that will have double glass. If not, it will be necessary to put up storm windows to get proper results from air-conditioning."

"Has the Commission done any work to induce industries to choose Ontario municipalities?" asked The Financial Post.

"That has never been the function of the Ontario Hydro-Electric Power Commission, and is not now considered our function," said Mr. Jeffery. "In the first place we act as trustees for the municipalities and for the Government. We have to be most careful not to persuade any industry to go to any particular municipality by preference. We are not here to assist Toronto, Hamilton, Windsor or London.

"Getting new industries into Ontario is undoubtedly important. An industry wants to know a great deal more about any community it is going to start operations in than what power it can get and what it will cost. It has been our plan to get as much information about all municipalities as possible, and that has been available for those who wish to study it. If Hydro is desired to go any further than it has, there would have to be allotted funds for that purpose. Such funds have not been allotted up to the present time by any Commission we have ever had."

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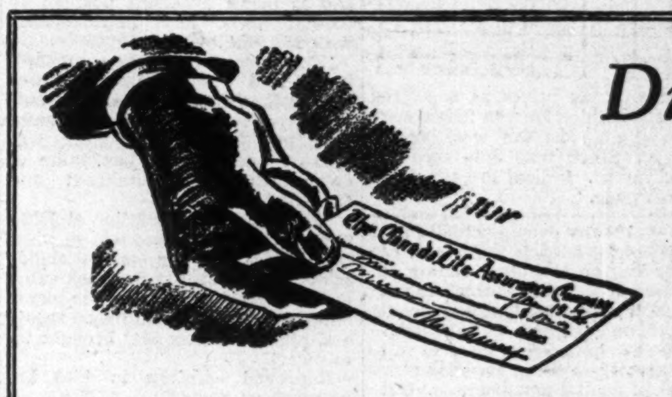

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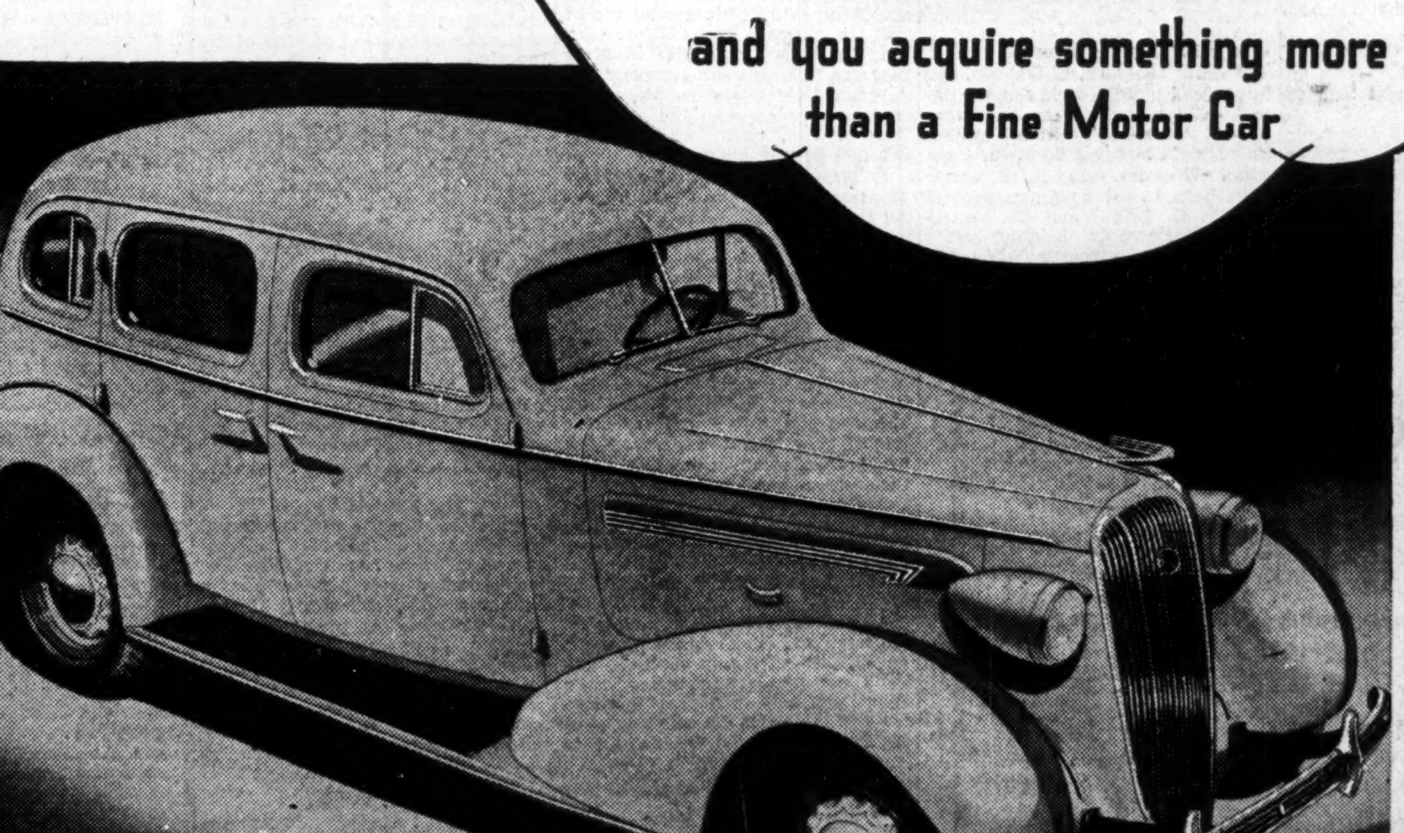

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Investment Trends —

Four Year Peaks

• • • •

Will Advance Continue?

Most stock market averages are threatening to make peak records for over four years.

There is such a superabundance of funds for investment that maintenance of at least the major part of the uninterrupted increase in share prices in the past year is considered justified. There is further justification in the improvement in corporate earnings and dividends.

A larger temporary recession than has occurred in the past year is still anticipated. However, there is no great volume of securities available for liquidation.

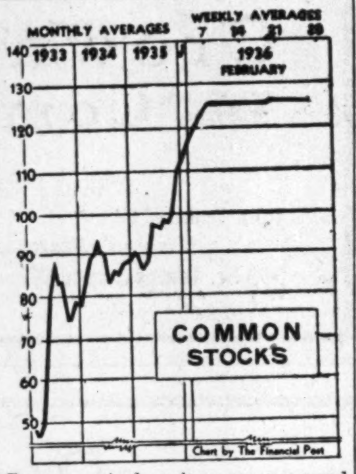
Retail business in Canada has made little progress in the unusually cold winter months.

Offering of $1¼ billions of U. S. government bonds to bonus veterans is inflationary. New taxes are the reverse.

Still Near Peaks

IN THE past week, the Dow-Jones average for industrial shares entered new high ground. An extensive further advance of the stock market is not expected, however, unless railroad shares participate. Montreal and Toronto Stock Exchange averages for industrial shares remain within striking distance of the 1935-36 highs. This poise near the peaks is somewhat delicate.

It is characteristic of stock prices that in a long-term trend they rise in peaks and dips. The ordinary investor cannot expect to judge each hill and valley. For this reason his main concern should be that the long-term trend is, by all available indications, still upward, although he may find prices slump sharply in intermediate periods.



Common stock prices as measured by the Dominion Bureau index were down slightly in the week ended Feb. 28. Since that time recovery has occurred. Indices are tabulated on this page.

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Investing Companies

BECAUSE Canadian investment trusts are taxed on interest from bonds as if such revenue constituted their net profits, they have been paying special attention to preferred shares on dividends of which they are not taxed.

The investor will note that substantial yields are available on numerous preferred stocks. One investment professional suggests that some of these preferred are better than bonds both as to security and income. He cited such issuers as Goodyear Tire, Cosmos Imperial Mills, Beatty Bros. If the investor's aim is not higher than five to six per cent, this is one field in which it can still be found with considerable safety. Another way of getting a better yield than is available on some common shares and bonds is in shares of the investment trusts themselves.

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Newsprint Outlook

CHARLES VINING, president of the Newsprint Export Manufacturers' Association, explains in a volume on the newsprint outlook that:

"Canadian newsprint has entered a critical year, with chances of substantial improvement on one hand and equal chances of continued distress on the other."

The improved showing of Abitibi in 1935, reported on page 1, is only a small indication of the recovery possibilities in newsprint. The rise of newsprint securities has taken the future well into account.

Mr. Vining paints a rather sombre picture of the industry's situation, however, and lays particular stress on the danger in the huge bargaining power of the united Hearst publications. Large Hearst contracts for newsprint expire at the end of this year, and negotiations for this business will have a major influence on the welfare of the newsprint industry in which Canadians have invested so many millions.

• • •

Keynes Contention

WHETHER one agrees entirely or not, the views of J. M. Keynes, eminent British economist, command interest because of his record in being right in his predictions. At the recent meeting of National Mutual Life Assurance Society, of which he is chairman. Mr. Keynes said the very high relative level of prices of British industrial shares is not entirely satisfactory. He commented:

"These prices presume not merely a maintenance of the present industrial activity for an indefinite period to come but a substantial further improvement. Not that many people actually believe this, but each is hopeful of unloading on the other fellow in good time. It is true that prices not much below the present level might be justified if the long-term rate of interest were to fall sufficiently to bring forward new types of capital development. But the present relative levels of gilt-edged securities and of industrial ordinary shares are calculated, unless they are revised, to bring ultimate disappointment to the holders of the latter."

Mr. Keynes' suggestion is that yields on British government securities should be reduced even further if the high level of share prices is to be maintained or increased.

The North American viewpoint is different, although the long-run situation is not dissimilar to that in Britain. The North American investor in common shares is obviously counting on continued improvements in corporation earnings, for which faith he can find considerable justification.

Eventually, however, the level of share prices will tend to be regulated by the level of interest rates on gilt-edged bonds. The lower the relative rate on government securities, the higher the price at which common shares can reasonably be expected to sell. There is no immediate indication, however, that money rates will rise sharply on this continent, and cheap money is one of the foundation stones for high share prices.

DOMINION TAR OUTLOOK FOR '36 SEEN IMPROVED

President L. O. P. Walsh Sees Ground For Some Quiet Optimism

"A certain amount of quiet optimism may be considered justified in anticipation of the coming year's business," president L. O. P. Walsh informs shareholders of Dominion Tar & Chemical Co. in the annual report.

Commenting on both the company's affairs and on the creosoting business in general, Mr. Walsh states, in part:

"The creosoting companies have enjoyed a slightly higher volume of railroad business, but with lower average prices prevailing. Commercial business, such as creosoted material for highway bridges, culverts, wharves, etc., has shown distinct improvement.

Coal Tar Products

"Coal tar products have been in better demand and, with somewhat higher prices prevailing abroad, considerable export shipments have been made at favorable prices. Unfortunately, profits to some extent were adversely affected by the demoralization of the European pitch market due to heavy competition from American sources.

"The building trade, although showing improvement, leaves much to be desired. Notwithstanding this, the Alexander Murray and Company has maintained its earnings and is in an excellent position to benefit from any improvement, which is long overdue.

"The interest upon the company's issued and outstanding debentures continues to decline as these debentures are redeemed. The amount paid into the sinking fund was $196,500 and $192,000 par value of debentures were purchased and cancelled.

"The annual depreciation at $350,213 is considered adequate in view of the fact that the reserve stands at over 33 per cent of the book value of the properties and that the plants have been maintained in good repair and high efficiency and brought up to date."

Improved earnings in 1935 are reported on page 21.

Hamilton Cotton Declares 50c Preferred Dividend

Hamilton Cotton Co. has declared a dividend of 50 cents a share on its preferred stock, payable April 1 to shareholders of record March 16.

The full rate of $2 per share per annum is being paid, and arrears of dividends remain at $6.50 a share.

MacKellar & Co. Opens Kingston Branch Office

S. R. MacKellar & Co., Toronto Stock Exchange firm, has opened a branch office in Kingston under the management of Sherman T. Hill.

Empire Foods Corp. Investing Million Dollars in Canneries

John Wall Interests Repurchase Associated Quality Canners Which They Sold in 1928; Finis to A.Q.C.

Sale of Associated Quality Canners to Empire Foods Corp. Ltd. for $400,000 writes finis to the investments of A.Q.C. shareholders, since proceeds of the sale will not be sufficient to meet creditors' claims in full.

Transfer of the A.Q.C. assets has already been made to Empire Foods Corp., and this venture means major developments in the canned foods business in Canada.

A million dollars is being invested in the new firm at the outset. It is understood that further expansion of Empire Foods is probable.

Apart from the demise of Associated Quality Canners, the investment significance of these changes may be an increase in competition for Canadian Canners Ltd.

One of the leaders in forming Associated Quality Canners was John Wall, Windsor, who sold out in 1928, and who is president of Empire Foods. Mr. Wall is a small, soft-spoken native of Wales who has eight children and who has resided in Canada for over 30 years. He retains more than a trace of the accent acquired in Cardiff where he and his brother, James E. Wall, were born.

Story of Repurchase

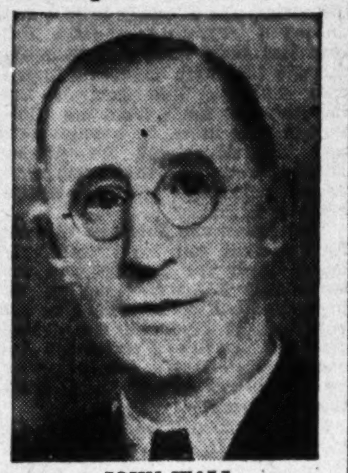
John Wall started in the canning business with Canadian Canners at Hamilton. He was general manager, with headquarters in North Toronto, prior to his withdrawal in 1916 when he and his brother formed Quality Canners of Canada. In 1928, this firm was merged with three others as Associated Quality Canners. The issued capital was 80,000 common shares, and Doherty-Easson Co., Toronto, offered 50,000 shares to investors at $25 a share.

The Wall holdings and a substantial part of the stock controlled by Doherty-Easson Co. were acquired by Whittall Can Co. The latter firm obtained over 50,000 of the 80,000 shares and carried the investment in its balance sheet at $1.4 million. Later, the issued stock of the A.Q.C. rose to 82,615 shares of which Whittall Can controlled 58,335 shares.

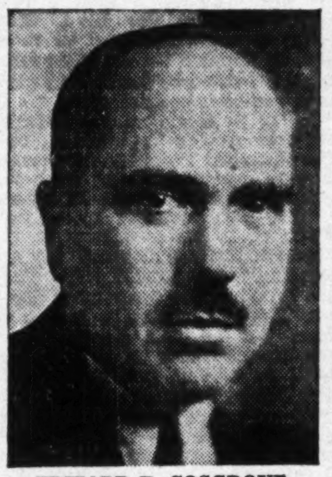
Nearly $2 millions was realized from sale of shares of Associated Quality Canners to the investing public and to Whittall Can Co. All of this, however, did not go to Mr. Wall who owned only part of the total enterprise.

The present acquisition of the A.Q.C. business by John Wall and associates, therefore, amounts to purchase for $400,000 of assets that were sold for about five times that sum in 1928. The heavy losers are bank and other creditors of Associated Quality Canners, Whittall Can Co., and investors who bought A.Q.C. shares.

Acquire Canneries



JOHN WALL



EDWARD B. COSGROVE

1931 Enterprise

After sale of Associated Quality Canners, John Wall spent some time holidaying in Europe and did not become active in the canning business again until 1931.

Investors and canning men will remember the 1931-32 season as the worst in a generation in the canned food business. Prices slumped so sharply that huge inventory losses were suffered. The Wall brothers escaped this since they had sold out three years before.

It was in 1931 that John Wall became associated with Edward B. Cosgrove, of Minneapolis, and started Fine Foods of Canada. Mr. Wall, holding 50 per cent of the stock in the new venture, started to pack in Canada the same lines as were originated by Mr. Cosgrove and the firm of which he is president, Minnesota Valley Canning Co. The Fine Foods business in 1935 involved a pack seven times as great as in the first year.

James E. Wall has been a director of Fine Foods but was not active in the management.

New Canning Firm

Empire Foods has a capital of $1 million in bonds and 50,000 shares of no par value stock, all these securities being privately held.

Empire Foods is controlled by Fine Foods of Canada Ltd., Tecumseh, Ont. Associated in control of Fine Foods of Canada is Edward B. Cosgrove, president of Minnesota Valley Canning Co., of Lesueur, Minnesota. "I control, personally, one-half the voting shares of Fine Foods of Canada," Mr. Wall informed The Financial Post.

The million dollars of new money comes from subscription of the bond issue of Empire Foods. A substantial part of the issue was purchased by Fine Foods of Canada, it is understood.

Canning Developments

After payment of $400,000 for the A.Q.C. assets, Empire Foods will spend $200,000 on remodelling and re-equipping the properties acquired. This will leave $400,000 for initial working capital.

Including the Fine Foods plant at Tecumseh, the new firm will have 15 canneries in Canada. Brand names under which Fine Foods markets its products include "Green Giant Peas," "Del Maiz Corn Niblets," and "Gerber's Strained Vegetables."

The fancy grades packed by Fine Foods have always had a quick sale, according to Canadian Grocer. Exclusive strains of vegetable seeds are said to be necessary to produce the foods, and these are owned by the Fine Foods firm. Expansion into Empire Foods Corp. requires increases in seed. So, arrangements have been made to grow seeds in New Zealand and England for the larger enterprise. This type of canning requires supervision of farm operations before packing vegetables.

Extension in Empire

Negotiations are under way for extension of supervised farm operations to cultivation of such crops as grape fruit and pineapple. Empire Foods, it is understood, will acquire interests in the West Indies and other British possessions and will develop its own supplies of fruits on the spot.

Canneries will be established at the source of supply so that tropical products can be packed ripe instead of being shipped to Canadian canning plants in the unripened state. John Wall states this should allow improvement of quality of the canned fruit.

Personnel of Firm

John and James E. Wall have resided in the Windsor area since 1916. John Wall is a director of Purity Dairies and was a member of the Windsor board of supervisors until it was dissolved by the Ontario Government. John is president of the Knights of Columbus Building Association, Windsor, and James, who has five children of his own, is president of St. Joseph's Manor Catholic Home for Children.

James E. Wall, for several years, has managed the Supertest Petroleum Corp., Windsor branch, and reenters the canning business as vice-president of Empire Foods. John Wall is president and Mr. Cosgrove is chairman of the board. The secretary is L. E. Felton, of Minneapolis, and R. G. Pryor, of Windsor, is treasurer. Head office of Empire Foods will be at Toronto in the quarters formerly occupied by Associated Quality Canners.

March Bond List

Write for March Review and Bond List.

Our March Review and Bond List offers a diversified list of Canadian Government, Municipal and Corporation bond investments with security and income suitable for the requirements of every type of investor.

Canadian conditions in relation to the bond market and some leading developments abroad are summarized.

We shall be pleased to forward copy upon request.

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Moore Corp. Innovations Aid Shareholder Greatly

Moore Corporation's annual financial statement makes things easy for shareholders by giving side by side comparative assets, liabilities and profits for both 1934 and 1935. This policy might well be followed by other companies as it gives shareholders an immediate view of the progress made during the year in every separate item.

In view of the importance in this company's affairs of group management in its various plants scattered over the United States and Canada, it is also a helpful feature that one page is devoted to giving the names of the general manager and assistant general manager of nine subsidiary companies. These men are the important elements in each sphere of influence of the company. All had profitable experience in 1935.

Another page gives a list of the company's products. Shareholders will also welcome a six-page folder describing and illustrating various processes and completed products in the company's business. It helps them to visualize the millions of transactions which cause the demand for the company's products and services. A map of North America also shows the geographical distribution of the company's plants.

(For financial statement figures see page 21.)

Investment Notes

Laura Sales

Candy sales in Canada were up 11.6 per cent in January over the 1935 month, and Laura Secord is understood to have been getting its share of the increase. This is one reason for the firmness of the shares close to 70, apart from the yield of over four per cent.

• • •

Simpsons Preferred

Simpsons Ltd. preferred has shown little strength in recent months and a clue to this may be found in the decline of nearly four per cent in department store sales in January. The hard winter has not helped sales.

• • •

Canada Bread

Canada Bread Co. has fulfilled expectations by declaring the full quarterly dividend of $1.25 a share on the first preferred stock, payable April 1 to holders of record March 14. This leaves arrears at 50 cents a share. No dividend has yet been paid on the new B preferred on which arrears are accumulating at $2.50 a share per annum.

• • •

Brighter for Wineries

Premier Hepburn, of Ontario, has introduced legislation to remove the provincial gallonage tax on native wines. The tax is 10 cents a gallon. This should be a big boost for Canadian Wineries, shares of which have been in the doldrums around 3¾. T. G. Bright and Co. should have considerably brighter sales and earnings prospects when the change is made. The preferred has lingered around 82 and the common has been sluggish at about 9.

• • •

Huron & Erie Cut

Softness of shares of Huron & Erie Mortgage Corp., which carried them below 85 has been a barometer of the reduction in the dividend rate from six to five per cent, effected this week.

• • •

Ford Strength

Rise of class A shares of Ford Motor Co. of Canada to 27 reflects dividend anticipations. It will be recalled that no payment was made in December last, and that The Financial Post suggested there might be no action until spring. The report will appear in about a month and there are expectations that it will not show an entirely satisfactory year in 1935.

• • •

Montreal Cottons

For three years shareholders of Montreal Cottons have received no dividends on the common stock, but in view of the progress made in reestablishing the financial position of the company, Sir Charles Gordon, president, said in his annual report that the company hopes before very long to resume dividends in some measure. Though the company has paid no dividends since December, 1932, a very considerable sum has been paid out each year on capital account, pensions, etc.

A resumption of dividends by Montreal Cottons would prove helpful to Dominion Textile Co., which is the major shareholder.

• • •

Walkerville Brewery

The frequency with which companies whose shares are sold publicly almost immediately show losses instead of profits is puzzling. Walkerville Brewery is an example. The company apparently has not obtained the full benefit of freer sale of beer in Ontario, one reason being that competition was more than keen last year in western Ontario. This seems to have been corrected and the company's liquid position may now enable it to show what it can do.

• • •

Brazilian Prospect

A reader seems to have the impression that a dividend payment on Brazilian Traction common was definitely forecast in this column. What was said was that interests close to the stock are counting on a payment. It would be unwise to rely on steady dividends even if an "interim" were disbursed, because of exchange difficulties in getting funds out of Brazil.

• • •

Weston Preferred

The convertible feature in the new offering of Geo. Weston five per cent preferred was a major factor in causing quick sale of the shares.

Conversion features should become more popular under present investment conditions.

• • •

Stock or Bonds

One investment man suggests he would sooner buy a fine-paper stock like Howard Smith common than risky newsprint bonds. His idea is that there is less likelihod of sensations, but less prospect of market loss.

• • •

Moore and Burt

The recent F. N. Burt statement showed last year's earnings sufficiently close to the dividend rate of $2 a share to remove doubt of the company's ability to maintain the rate. Moore Corp. earnings of $2.18 a share allow stabilization of the dividend at $1 a share and promise well. The widespread opinion of the investment merits of both appears justified.

• • •

Pete. Esteemed

For years International Petroleum has been viewed as a high quality investment in oil, and this still holds true in financial circles. Holders of the shares contend that the payments of $2.50 a share annually will eventually be earned and that there may be a split of the surplus melon.

• • •

Flour Off Slightly

Flour shares such as Western Canada Flour and Lake of the Woods Milling have receded slightly from recent peaks because of the set-back in export volume. February shipments will soon be published.

• • •

'Peg Electric Values

Winnipeg Electric $100 preferred has been selling at 17 and the common at 4. Under the reorganization, the preferred gets par for par in new preferred stock and ½ class B share for each old preferred. The common gets class B, share for share. Does the current market place too great a value on the common in comparison to the preferred? Or are prospects for the preferred undervalued?

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	233.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
Weekly Figures, 1936:										
Feb. 6	136.4	20.0	81.9	250.9	73.4	157.5	150.7	199.3	55.0	124.2
Feb. 13	137.4	21.2	84.8	249.7	74.4	159.2	150.4	199.5	55.0	124.3
Feb. 20	142.5	20.8	85.9	247.8	72.8	159.6	150.6	202.1	57.9	126.9
Feb. 27	143.0	20.0	85.6	245.2	74.3	160.0	152.5	201.1	58.5	126.7

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Mar. 3	142.11	130.33	140.54
Mar. 2	142.14	130.75	141.23
Feb. 29	140.02	130.54	141.23
Feb. 28	140.61	130.56	141.77
Feb. 27	141.56	130.66	141.43
Feb. 26	139.70	129.44	139.55
Month ago	140.31	135.41	137.57
Year ago	105.27	120.07	86.36
High, 1936	143.48	135.81	144.33
Low 1936	139.13	131.27	135.39

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Mar. 3	73.4	77.8	76.3
Mar. 2	73.3	77.8	76.3
Feb. 29	72.5	77.3	75.4
Feb. 28	72.6	76.9	75.4
Feb. 27	72.0	77.3	75.8
Feb. 26	72.5	76.1	74.9
Month ago	70.2	74.8	73.2
Year ago	58.8	58.2	58.4
High, 1936	73.4	78.4	76.6
Low, 1936	[illegible]	70.3	[illegible]

WABASSO COTTON AGAIN OPERATING

Labor Troubles Will Be Aired Before Turgeon Commission

From Our Own Correspondent

MONTREAL. — Labor trouble at the Three Rivers mill of the Wabasso Cotton Co. has been settled for the time being, the strikers having agreed to return to work following the promise of the Federal Minister of Labor to have the Turgeon Textile Enquiry Commission investigate working conditions in the Wabasso plant.

Employees of the company went on strike in protest against working conditions, wage rates and lack of union recognition.

Throughout the strike the company refused to attempt a settlement until workers promised to return to their posts. But the workers held out for a settlement until the Minister of Labor suggested they return and await findings of the Turgeon Commission.

Saint John Civic Hydro Gross Revenue Up in '35

From Our Own Correspondent

MONTREAL.—Gross revenue of the Civic Hydro Commission of Saint John was higher in 1935 than in any other year except 1931, according to Barrie Wilson, manager of the Commission.

Total receipts last year were $360,527, compared with $351,269 in 1934. The net showing was not as good, however, amounting to only $62 as compared with $5,456 in 1934. The smaller surplus for last year was the result of legal expenses amounting to over $6,600.

The Commission's financial statement shows fixed assets of $822,116 at the end of 1935, compared with $809,343 at the end of the previous year.

Imperial Tobacco Co. Pays Employee Bonus

From Our Own Correspondent

MONTREAL. — Imperial Tobacco Co. of Canada and associated manufacturing companies have mailed cheques totalling $200,000 to approximately 4,000 employees under the service dividend plan inaugurated a year ago.

Based on the company's earnings, the dividend—5 per cent for the past year—represents the percentage of wages paid throughout Canada during the year.

Power Corp. Common Listed on Toronto Board

From Our Own Correspondent

MONTREAL. — Power Corp. of Canada's no par value common shares have been listed on the Toronto Stock Exchange. The listing covers 446,228 shares, which were distributed February 15 last, among 5,280 registered holders, indicating an average ownership of about 84½ shares per person. Of these, 4,784 individuals held 100 shares or less.

Power Corp.'s common stock, in addition to Toronto, is also listed on the Montreal Stock Exchange, the London Stock Exchange and the New York Curb Exchange.

Canadian Canners Stock Now on Montreal Exchange

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange announce the listing of Canadian Canners two classes of preferred and one class of common stock. The listing covers 38,848½ shares of 6 per cent cumulative preferred shares of $100 par value; 363,732 shares of convertible preferred stock of no par value; and 137,784 no par value common shares.

Second Standard Pays Dividend

Second Standard Royalties Ltd. has declared a dividend of one cent a share on its preferred stock, payable April 1, record March 16.

POWER CORPORATION OF CANADA
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A Public Utility Holding, Management, and Engineering Company

Assets, as at December 31, 1935, had a market value of over $27,000,000

4½% DEBENTURES, DUE 1959
Current earnings are at the rate of over 2½ times Debenture interest requirements.
The market value of securities ranking after the Debentures, amounts to over $18,000,000.
PRICE: To yield about 4.78%

6% CUM. 1st PREF'D STOCK
Average annual net earnings for the past five years were equal to $16.60 per share.
Regular quarterly dividends have been paid continuously since the shares were first issued June 1925.
PRICE: To yield about 5.94%

A study of this Company's position will be forwarded upon request

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Bond Markets

Cheap Money Theory

* * * *

Are Interest Rates too Low?

Although interest yields are already at a very low level, prices of high-grade government bonds continue their upward course.

With little new corporation borrowing appearing on the financial horizon, there appears to be a break down in the argument of the theorists that cheap money encourages new borrowing and provides a stimulus to new industrial enterprises.

The fact of the matter is that corporations and people do not want to go into debt. Uncertainty as to the future is still serving as a check upon borrowing. Confidence, not cheap money, is the need of the hour.

It is possible that the drive for low interest rates has been carried too far. Present yields on capital borrowings cannot be said to be conducive to putting capital to work.

Indications of the latter can be seen in the present prejudice against long-term securities. Governments are finding it increasingly difficult to borrow on a long-term basis. Of the recent issue of C. N. R. bonds, only $25 millions of long-term bonds were sold and $55 millions of the short-term.

Western Municipals

WHILE municipal defaults in Eastern Canada appear to have come to a stop, there are a number of cities in Western Canada still facing serious financial difficulties.

A number of the larger municipalities in the western provinces have avoided default only through deferment of sinking fund obligations or sale of large blocks of their own bonds to sinking fund. Where the latter action has been taken, the liquid position of sinking fund has been affected and financial difficulties prolonged.

Among cities to find themselves in serious financial difficulties at the present time are Calgary and Brandon. Unless the Dominion and Alberta governments assume a greater portion of unemployment relief costs, Calgary will be forced to default on its bonds by July, according to Mayor Davison. Unless some help is forthcoming from the Manitoba government it is possible that Brandon will find itself in the same position.

* * *

Power Bonds

FURTHER advances have been recorded by Maclaren - Quebec bonds and Gatineau bonds on the strength of the new contracts with the Ontario Hydro. Present prices indicate that investors feel that any adjustments that may be necessary as a result of the cancellation of the old contracts will be minor in character.

Prices of Beauharnois and Ottawa Valley Power issues, on the other hand, continue on a downward trend. With these two companies definitely out in the cold as regards new contracts, the outlook does not appear bright.

The price trend of the bonds of these two companies since the first of the year is indicated below:

Power Bonds

	Jan. 2 1936	Feb. 2 1936	Mar. 2 1936
Beauharnois 5's	31.00	25.50	28.50
Beauharnois, 5½'s ..	88.25	82.50	85.25
Gatineau, 5's	91.75	93.75	96.50
Gatineau, 6's	83.00	82.75	87.50
Gatineau, 6's	84.00	83.75	89.25
Maclaren, 5½'s/61 ..	76.00	82.00	88.50
Maclaren, 5½'s/64 ..	73.50	79.50	87.50
Ottawa Valley, 5½'s	90.00	88.75	88.50

* * *

Alberta Bonds

ALBERTA bonds are the only weak spot in an advancing market for government issues.

Uncertainty as to the outcome of conversion proposals of the Alberta government has resulted in a falling off in prices of Alberta bonds while other provincial bonds have been following the course of federal issues and rising in price. Although opposed to conversion under the loan council proposed by the Dominion government, the objective of the Alberta government is still refunding at a 2.75 per cent rate.

The trend of the high-grade government bonds is indicated below:

The Financial Post Average Yield and Price for Seven High Grade Gov't Bonds

1936	Yield %	Price $	1935	Yield %	Price $
Mar. 3	3.343	114.23	Mar. 2	3.477	113.71
Mar. 2	3.354	114.12	Mar. 1	3.458	113.91
Feb. 29	3.357	114.08	Feb. 28	3.404	114.55
Feb. 28	3.361	114.04	Feb. 27	3.404	114.55
Feb. 27	3.376	113.86	Feb. 26	3.465	113.97
Feb. 26	3.375	113.85	Feb. 25	3.465	113.97
Feb. 25	3.375	113.84	Feb. 23	3.465	113.97
Year's	3.354	114.12	Year's	3.367	114.97
Range	3.597	111.50	Range	4.097	106.57

Railway Earnings

Canadian National Railways

	1935 $	1934 $
December:		
Operating revenues.	14,974,706	13,354,481
Operating expenses.	12,847,409	12,040,005
Net revenue	2,127,297	1,314,476
12 Months:		
Operating revenues.	173,184,502	164,902,502
Operating expenses.	158,926,249	151,936,079
Net revenue	14,258,253	12,966,423
	1936 $	1935 $
January:		
Operating revenues.	12,742,554	12,107,586
Operating expenses.	13,318,884	12,853,939
Net revenue deficit.	576,330	746,353

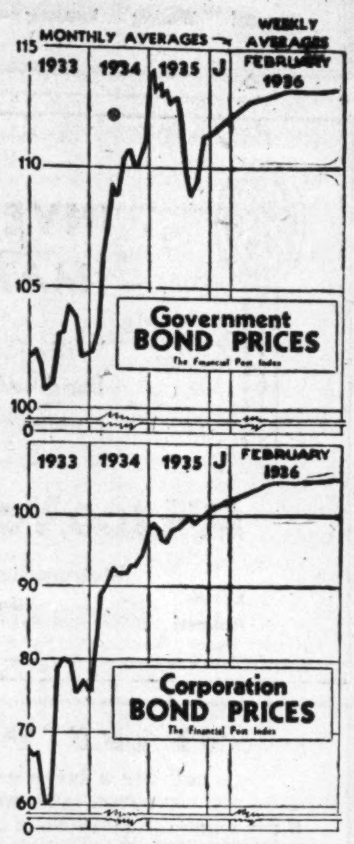
Public Utility Earnings

Canada Northern Power
January

	1935	1934
Gross revenue	$384,570	$365,199
Operating expenses	142,170	133,985
Net earnings	$242,400	$231,214

Jamaica Public Service

	1936 $	1935 $
January:		
Gross earnings	74,842	74,024
Net earnings	31,519	30,648
Surplus after charges ..	22,702	23,257
12 Months end. Jan. 31:		
Gross earnings	860,215	831,537
Net earnings	351,446	337,546
Surplus after charges ..	247,084	230,735



CAN. WALLPAPER A AND B COMMON OFFERED AT $30

Offering of class A and B common shares of Canadian Wallpaper Manufacturers Ltd., at $30 a share, is being made by Mills, Spence & Co., Ltd., and Cochran, Murray & Co. Ltd., Toronto.

Both classes of stock rank equally in every respect except that class B has sole voting rights. Options are being granted to purchasers of either class, to purchase an additional half share of A or B at $35 up to November 1 this year.

A dividend of $1.25 was paid on both classes in June, 1935 and a further dividend is expected in June this year, out of earnings for the fiscal period ending April 30, 1936.

Canadian Wallpaper Manufacturers Ltd.

Offering: Unstated amount of class A and B n.p.v. common, both stocks ranking equally in all respects except that class B has sole voting power.

Company: Through its subsidiaries, Reg. N. Boxer Co., Ltd., New Toronto, Staunton's Ltd., Toronto, and Watson, Foster Co., Ltd., Montreal, produces the major part of all wallpaper sold in Canada. Subsidiaries are old established concerns, forming units of the present company since the latter's incorporation in 1927. Export trade with Australia and New Zealand is being developed.

Capitalization:	Authorized	Issued
As at Apr. 30, 1935:		
Class A com., n.p.v.	194,096 sh.	23,342 sh.
Class B com., n.p.v.	105,904 sh.	105,904 sh.
7% coll. tr. serial gld. bds.	$1 million	$567,000
	Less redeemed	$342,000
Outstanding, all held by wholly-owned subsids.		$225,000

Earnings: Company had a deficit of $131,478 or $1.01 per share for the fiscal year ended April 30, 1933, net earnings of $137,483 or $1.06 a share in 1934, and $241,598 net earnings, or $1.87 in the 1935 fiscal period.

Purpose of Offering: No new financing by the company is involved. Offering consists of unstated amount of common, to secure wider distribution of stock with view to applying for listing on Toronto Stock Exchange.

Working Capital: Current assets $1,479,-373, of which $324,726 is cash and $145,000 call loans. Current liabilities are $167,966.

Offer: $30 a share for A or B stock, with right to purchase additional half share of A or B at $35 up to and including Nov. 1, 1936.

Offered: By Mills, Spence and Co. Ltd., and Cochran, Murray and Co. Ltd.

WESTON OFFERS 5 P.C. PREFERRED WITH CONVERSION

Proceeds to Pay Off 7% Stock and Sundry Debt Items

George Weston, Ltd., is asking approval of shareholders at a special general meeting on March 20, just after the general meeting, to retire the present 7 per cent preferred stock and to issue a 5 per cent stock in its place.

The new stock has already been oversubscribed about four times and is quoted at a premium over the offering price.

There are at present outstanding 9,000 shares of 7 per cent preferred stock of $100 par value redeemable at 110. Redemption would require an amount of $1,005,750, all told.

The new authorized capital will consist of 17,500 shares of new 5 per cent convertible preferred shares of $100 each and an additional 100,000 no par value common shares. Of the authorized preferred, 15,000 shares are now being offered by a syndicate consisting of Gairdner & Co., Toronto, McLeod, Young, Weir & Co., Toronto, W. C. Pitfield & Co., Montreal and Toronto and R. A. Daly & Co., Toronto. The offering price is $100 a share plus accrued dividends from February 1, 1936. This will bring a gross amount of $1,427,800 to the company after financing and other expenses.

Pay off Funded Debt

The proceeds will be used not only to pay off the old preferred on May 1, but an additional amount will also be used to retire $289,500 in mortgages; $90,500 in 10-year 7 per cent notes issued by Weston Biscuit Co., U.S. subsidiary, for $92,763; and $200,000 in 15-year 6 per cent first mortgage bonds issued by George Weston Bread & Cakes, Ltd, or $580,000 in all. The amount receivable for the new preferred does not quite cover the amounts to be paid out for redemption. The company, however, has nearly $400,000 in cash and holds $61,765 of Geo. Weston Bread & Cakes and sundry mortgages already in its investments.

The company does not intend to issue the 100,000 new common shares except for conversion of preferred and possible expansion at some future date.

Geo. Weston 5% Preferred Stock

Dividends: Cumulative at 5 per cent per annum, accruing from Feb. 1, 1936; first payment to be made May 1, 1936, to shareholders of record April 20. No dividends may be paid on the common shares unless net current assets are at least $500,000 and net tangible assets at least 150 per cent of the outstanding preferred.

Redeemable: At 105 on 30 days' notice.

Convertible: Into common shares at the rate of 5 common for each preferred share up to May, 1, 1938; 4 common for each preferred share up to May 1, 1940; 3 common for each preferred share up to May 1, 1942. Rate of conversion to be adjusted for any change in the present common shares.

Non-voting: Unless six quarterly dividends in arrears when holders of preferred will have right to elect 3 directors out of board of 7 members and to vote with common in election of remaining directors.

Offered: By Gairdner & Co., Toronto, and syndicate. (15,000 shares) at 100 and accrued dividends.

B. C. Power Corp. Raises "A" Dividend

From Our Own Correspondent

MONTREAL.—With a quarterly declaration of 40 cents a share, British Columbia Power Corp. has placed its Class A stock on an annual dividend basis of $1.60. This compares with an annual rate of $1.50 a share previously paid.

Earnings have not shown any material change in recent months. The increase in the dividend will call for an outlay of an additional $100,000 on the million shares of stock issued.

In the fiscal year ended June 30, 1935, the company earned $1.69 a share. For the seven months of the current fiscal year ended January last, net operating profit at over $2.6 millions, was 3.95 per cent greater than for the corresponding months of 1934.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Mt. Royal Tunnel	5%	1970	Apr. 15	100
Mtl. Pr. Cons. A.	5%	1951	Apr. 1	104
Paton Mfg.	6%	1953	May 1	103
Wabasso Cotton.	6%	1947	May 1	110
St. Maur. Vall. Cot.	6%	1952	May 1	105
Shaw. Cotton ..	6%	1949	May 1	105
Wabasso Cotton.	7%	1942	May 1	110
Ritchie & Ramsay	7%	1944	Apr. 1	105
St. Mary's Cement	‡6%	1942	May 1	103
Thetford-Vimy..	†7%	1944	Mar. 1	100

‡$31,500 for sinking fund purposes.
†$37,700.

Stock Issues:	Rate	Stock	Date	Price
G. Tamblyn† ..	7%	Pref.	Apr. 1	110
Cosmos. Imp. ..	7%	Pref.	Apr. 1	105
Geo. Weston ..	7%	Pref.	May 1	110

†$150,000 drawn by lot for sinking fund purposes.

Bond Tenders

12 noon, Mar. 6, Orillia—$100,000, 4½ per cent 20-year debentures. Carrie M. Johnston, treas.

Newfoundland Inter. Paper Plans to Issue More Bonds

From Our Own Correspondent

MONTREAL. — International Paper and Power Co. of Newfoundland, now a subsidiary of Canadian International Paper, will shortly be in the market with a $1.5 million bond issue carrying a coupon of 4½ per cent, payable in Canadian and United States funds. The syndicate handling this issue will be largely a Canadian one and it is likely that the bonds will be offered near par.

International Paper of Newfoundland now has outstanding $4,866,000 of five per cent first mortgage bonds due 1968. The amount of the authorized issue is $19,466,000. It is understood that the proposed bond issue will be covered by the trust deed securing the 1968 issue.

Last fall International of Newfoundland carried out a refunding operation when £1,877,600 of three per cent guaranteed A mortgage debenture stock was offered at 97 per cent by the Bank of England. The principal and interest on these debentures are guaranteed by the British Treasury under the Finance Act, 1934, and the proceeds were used to retire a similar guaranteed issue carrying a 4½ per cent coupon.

In addition, three per cent second A mortgage debenture stock was extended A mortgage debenture stock, which was issued to the British Treasury to the amount of A stock equal to the amount of stock redeemed by the treasury's contribution to the sinking fund.

Burns & Co. Pays Full 5 Per Cent

Bondholders of Burns & Co., Calgary packing concern, have been officially notified that the company will pay full five per cent on its income bonds on April next. Forecast of this action was made early in the year when it was learned that net earnings in 1935, before depreciation and bond interest, amounted to about $850,000.

Under the plan of reorganization passed in March, 1934, one half of the bonds held by each bondholder were to bear interest at two per cent in 1934 and three per cent in 1935. On the other half, interest was to be non-cumulative from Jan. 1, 1934, to Dec. 31, 1938, and payable annually, commencing April 1, 1935, to the extent of 75 per cent of income available for bond interest. Payment of interest on the income bonds even if earned was also to be contingent upon maintenance of certain current positions.

'Peg Electric Conversion May be Finished July 1

Final completion of all details necessary to make effective the Winnipeg Electric Co. plan of amalgamating parent company and all subsidiaries into one is expected by May 20. The Manitoba Municipal & Public Utility Board has given approval.

The physical work of getting all documents completed, all old bonds and shares exchanged for new ones, and of making delivery is tremendous. That may not be finished before July 1, 1936.

The Winnipeg Electric Co. first mortgage bonds will be provided for first. The 1935's will be refunded long before July 1, it is hoped. Agreement by English and New York representatives of bondholders as to details of wording of trust deeds has been secured.

Court agreement was sought under both the Manitoba Companies Act and under the Canadian Companies Creditors Arrangement Act.

St. Lawrence Paper Mills Freed of Quebec Penalties

From Our Own Correspondent

MONTREAL.—Penalties imposed by the Quebec government on St. Lawrence Paper Mills for underselling other Quebec companies in newsprint sales have been abandoned, according to an official statement.

St. Lawrence was deprived of reduced stumpage dues and cutting rights when it contracted to sell newsprint to Hearst and Scripps-Howard at a cut price.

Refunding Issue

$17,000,000

The Shawinigan Water and Power Company

First Mortgage and Collateral Trust Sinking Fund Bonds

Twenty-five Year Series "F", 4%

Dated April 1, 1936 Due April 1, 1961

Interest April 1 and October 1. Coupon Bonds, $1,000. and $500. denominations, registerable as to principal only. Principal and interest payable in the Cities of Montreal and Toronto in lawful money of the Dominion of Canada. Callable on thirty days' notice as a whole at any time or in part on any interest date, at 104 and interest on or before April 1, 1941; thereafter at 103 and interest on or before April 1, 1946; thereafter at 102 and interest on or before April 1, 1951; thereafter at 101 and interest on or before April 1, 1956; thereafter at 100 and interest prior to maturity.

Montreal Trust Company, Trustee.

In the opinion of counsel these Bonds will be a legal investment for Life Insurance Companies under the Canadian and British Insurance Companies Act, 1932.

CAPITALIZATION
(Upon completion of present financing)

FUNDED DEBT: First Mortgage and Collateral Trust Sinking Fund Bonds. (Authorized $200,000,000.)		Outstanding
Series "A" 4½% due October 1, 1967	$34,286,000	
Series "B" 4½% due May 1, 1968	15,867,000	
Series "D" 4½% due October 1, 1970	18,938,000	
*Series "F" 4% due April 1, 1961 (this issue to be now sold)	17,000,000	
		$86,091,000
Short Term Notes — $1,000,000 maturing Dec. 31, 1936, and $1,000,000 Dec. 31, 1937		2,000,000
Capital Stock, one class, without par value		2,178,250 shares

*NOTE: The authorized amount of Twenty-five Year Series "F" Bonds is $30,000,000, which are to be dealt with as more fully described under the heading of "Purpose of Issue."

THE COMPANY

The Shawinigan Water and Power Company, incorporated under the laws of the Province of Quebec, Canada, is a large producer of hydro-electric power, owning plants with a present installed capacity of 864,350 H.P., and having in addition long term contracts for the purchase of 116,289 H.P. It carries on business throughout the Province of Quebec, its distribution system covering 16,000 square miles and serving (excluding the Island of Montreal and District of Quebec) a total of 390 towns and villages. Customers served, including those supplied through municipal systems or privately owned companies purchasing power from the Company, number approximately 66,274.

SECURITY

The First Mortgage and Collateral Trust Bonds are secured by direct first mortgage on the Company's lands, rights in lands, water powers, dams, power houses and transmission lines owned October 1, 1927, or since acquired and made the basis of issue of additional Bonds; by pledge of certain first mortgage bonds of electric and manufacturing companies now controlled; and by a floating charge on all other assets now owned or hereafter acquired. Except as otherwise therein provided, the lien of the Mortgage will not extend to other property or securities not made the basis of issue of additional Bonds.

Total book value of properties (after depreciation) and securities covered by $86,091,000 Bonds to be presently outstanding with the public and $2,900,000 Bonds to be deposited as described below, will be more than $133,250,000, of which more than $129,000,000 comprises properties on which these Bonds will be a direct first mortgage, and approximately $4,250,000 comprises first mortgage bonds of other companies now controlled. Total fixed assets (after depreciation) and securities owned, at book values, exceed $153,500,000.

EARNINGS

12 mos. ended Dec. 31	Gross Earnings	Net Earnings (before Depreciation & Income Taxes) applicable to Interest Charges	Interest Charges (inc. int. charges to Capital A/C)	Balance
1929	$13,475,863	$8,765,733	$2,857,754	$5,907,979
1930	14,954,074	10,021,477	3,450,807	6,570,670
1931	13,693,194	8,660,113 (a)	3,909,675	4,750,438
1932	12,635,279	7,388,915 (a)	4,054,442	3,334,472
1933	11,945,863	6,756,171 (a)	3,813,127 (c)	2,943,044
1934	12,504,406	7,495,124 (a)	4,127,681	3,367,443
1935	13,067,800	7,560,723 (b)	4,018,758	3,541,965

(a) After cost of exchange on interest payable in United States funds and Sterling.
(b) After transfer to Exchange Equalization Reserve of $100,000.
(c) After a deduction of $300,000., representing interest charged to power development on the cost of work in course of construction.

Net Earnings for the 12 months ended December 31st 1935, as above were $7,560,723, or 1.95 times the $3,879,095 annual interest on total Funded Debt (including Short Term Notes) to be presently outstanding with the public upon completion of present financing.

PURPOSE OF ISSUE

Proceeds of the $17,000,000 Bonds to be presently sold will be used for the purpose of redeeming April 15th, 1936, the Company's outstanding Series "C" 5% First Mortgage and Collateral Trust Sinking Fund Bonds maturing February 1st, 1970, together with the premium thereon, and for other corporate purposes. The Company will surrender to the Trustee for cancellation Series "E" 5% Bonds maturing February 1st. 1972, in an amount of $15,016,500 shown on the Balance Sheet of the Company December 31st. 1935, as Certified Bonds, and the $14,980,000 Bonds of Series "C" to be called for redemption, and the Trust Deeds securing the same and the mortgage created thereby will be duly discharged.

Against the surrender by the Company for cancellation of Series "C" and Series "E" Bonds, aggregating $29,996,500, there will be available to the Company an equivalent principal amount of Series "F" Bonds, of which, in addition to the $17,000,000 Bonds now being sold, the Trustee will certify and deliver to the Company $2,500,000 Bonds to replace a similar amount of Series "E" Bonds previously used by it as collateral security to the above mentioned $2,000,000 of Short Term Notes, and $400,000 Bonds to replace a similar amount of Series "E" Bonds deposited with the Quebec Government as collateral security for the performance by the Company of its obligations under contract with the said government covering the development of certain water powers on the St. Maurice River. The remaining $10,096,500 Bonds are to be held by the Trustee to the order of the Company for its corporate purposes.

SINKING FUND

Provision has been made under the terms of the Mortgage for a Sinking Fund of 1% per annum on the largest amount of First Mortgage and Collateral Trust Bonds outstanding in each year, to be used to retire Bonds by purchase at not exceeding the price at which they are then callable, or by call if not so purchasable.

Price: 99.50 and accrued interest, yielding over 4.02%

Bonds offered when, as and if issued and received by us and subject to approval of counsel. All legal matters pertaining to this issue to be passed upon by Messrs. MacDougall, Macfarlane, Scott & Hugessen, of Montreal. It is expected that Trustee's Interim Certificates will be ready for delivery on or about April 9th, 1936.

Aldred & Company, Limited
The Dominion Securities Corporation Limited — Wood, Gundy & Company Limited
Collier, Norris & Henderson Ltd. — A. E. Ames & Co. Limited

Nesbitt, Thomson & Co. Limited	Hanson Bros. Inc.	Royal Securities Corporation Limited
Société de Placements Inc.	McLeod, Young, Weir & Co. Ltd.	L. G. Beaubien & Cie Ltee.
R. A. Daly & Co. Ltd.	McTaggart, Hannaford, Birks & Gordon Ltd.	W. C. Pitfield & Co. Ltd.
Mead & Company Limited	Bell, Gouinlock & Co. Ltd.	Ernest Savard Ltée
Mills, Spence & Company Limited	James Richardson & Sons	Greenshields & Co. Inc.
Iselin Corporation of Canada	Kerrigan, MacTier & Co. Ltd.	R. O. Sweezey & Co. Ltd.
Cochran, Murray & Company Limited	Gairdner & Co. Ltd.	Griffis, Fairclough & Norsworthy Ltd.
Matthews & Co. Limited	F. W. Kerr & Co. Limited	C. H. Burgess & Co. Limited
Canadian Alliance Corp. Limited	René-T. Leclerc Inc.	Lawson Williams & Company Ltd.
Midland Securities Corp. Limited	Dyment, Anderson & Company	Wright, Henderson & Co. Limited
J. L. Graham & Co. Limited	Harris, Ramsay & Co. Ltd.	Harrison & Company Limited
Eastern Securities Co. Limited	T. M. Bell & Co. Limited	Irving, Brennan & Co. Limited
Fry & Company	Bartlett, Cayley & Co. Ltd.	Flemming & Co. Ltd.
Gooderham, Mullin & Richardson Ltd.	Milross Securities Corp. Limited	Brawley, Cathers & Co. Limited
Isard, Robertson & Co. Limited	Crèdit Anglo-Francais Ltee	H. C. Monk & Co. Limited
	Geo. Beausoleil & Co.	

The statements contained in this advertisement, while not guaranteed, are based upon information and advice which we believe to be accurate and reliable.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Sorel, Que.	Feb...	Credit Anglo-Francais	4½%	10-yr.	$25,000	101.61	4.30%
Isle Maligne, Que.	Feb...	L. G. Beaubien & Co., Ernest Savard	4%	1937-66	255,000	98.77	4.10%
Owen Sound, Ont.	Feb...	City's Sinking Fund	...	5 & 10-yr.	20,000	.....	.....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Class	Amount	Price	Yield
Super Service Stations	Feb...	Eastern Securities Co., Johnston & Ward, Nova Scotia Bond Corp.	5%	1943-45; 1946-51; 1952-60	100,000	100; 99; 98	
Stock Issues—							
George Weston Ltd.	Mar...	Gairdner & Co.; R. A. Daly & Co.; McLeod, Young, Weir & Co.; W. C. Pitfield & Co.	5%	Pref.	$1,500,000	100	5%
Dunrobin, Ltd.	Mar...	Walter H. Moore & Co.	...	Com.	300,000 shs.	$3	.....
Canadian Wallpaper Mfrs.	Mar...	Mills, Spence & Co. and Cochran, Murray & Co.	...	Com. A B	......	$30	.....

The Financial Post

Member Audit Bureau of Circulations

Editor—FLOYD S. CHALMERS

Business Manager—D. M. GOWDY

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada

The Financial Post Has the Largest Paid Circulation of Any Canadian Financial Paper

The detailed circulation statement we submit is the sworn statement of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. inspection.

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DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS, YEARLY, $10.

TORONTO, MARCH 7, 1936

Ballyhoo For Building

IN AN attempt to paint the benefits arising from a Canadian building revival, publicity writers for the movement have come dangerously close to defeating their own purpose.

"The woodsman's axe would again be heard in the forest . . . idle wood-working shops would roar with singing saws . . . kilns of brick making plants would glow once more with the beacon lights of prosperous times."

Everyone familiar with the building situation knows that neither the ballyhoo method or the "something-should-be-done" attitude will produce results without the co-operation of investors. The real problem is to make building an attractive channel for investment funds, and no amount of publicity will coax money into building unless building conditions themselves offer safe and reasonably profitable opportunities to employ capital.

Among the chief deterrents to investment in building are taxation and the fear that rising taxes will bring disastrous results to investments in the housing field. Home owners who have had to meet increasing taxation in a period when their own incomes were declining, have in many instances reached the limit of their ability to pay. Others reached that stage long ago, and their properties have come back on the hands of lending institutions who must take up the tax burden themselves.

Yet in the face of repeated appeals for government economy, cessation of public spending on relief projects, and an end to artificial stimuli to building, loaning interests with funds available for building still have no assurance that the problem will be faced with full recognition of the facts.

On the contrary, the latest proposal is to exempt new properties from taxation for a period of years, or in effect to reduce taxation on new buildings and shift the burden to those who have already carried it through the depression.

Of this, The Stratford Beacon-Herald, while admitting the benefits of swinging axes, singing saws and glowing brick kilns, says:

"It is doubtful whether the deferring of taxes is practicable or possible under any extensive home building scheme. If those people who now own houses decided to build and move into other dwellings they would still have their old homes on their hands upon which they would have to pay taxes, and have a vacant or depreciated property to boot.

"Moreover, if a thousand families who are now renting apartments were to build and move into a thousand new homes tax free, the owners of the vacated apartments would lose part of their income and still have to pay taxes."

Artificial methods of diverting funds into building investment, by their very nature tend to frighten capital rather than attract it. Building investments are not made for a month or a year, but over the long term, and any building boom of a temporary and artificial nature would eventually result in more harm than good, so far as investors are concerned.

New Stock-selling Tactics

DISCIPLES of Alberta's radio prophet, monetary magician and provincial premier, William Aberhart, are giving him lessons in the dark political art of meeting criticism by vilifying the critics. Mr. Aberhart, in his radio Sunday School, may be able to find a scriptural passage to support such tactics, which are the usual last resort of those who are in wrong and know it.

Recently The Financial Post commented on the stock offering of the Calgary Albertan. This newspaper is being sold to the Social Crediteers of Alberta in a transaction that sets a new high record in promotional ingenuity. We called attention to the fact that too little information was given investors. At the same time we wrote to the fiscal agents for the stock issue and asked for more data.

Our comment brought a letter from this Calgary firm in which the following paragraph appeared:

"I read with interest the article on the front page of The Financial Post of February 8 and it is probably regrettable from our standpoint that we did not see our way clear to give your representative an ad. when he called on us recently."

The Financial Post disdained heaping public ridicule upon the "fiscal agent" author of this childish and petulant comment, excusing it on the ground that the outburst was made in a private letter by a man who ought to have known better. But now the Albertan itself repeats the paragraph for the edification of the deluded citizens who have fallen for the new magic money hysteria and will probably accept anything the Albertan says as gospel truth. It adds:

"Need more be said? It does not require more than average power of perception to see the reason for The Financial Post's hostility."

Can it be that the Calgary Albertan is judging The Post by its own journalistic standards? Does it allow its news and editorial policy to be determined by those who advertise in its columns? Under the curious code of the long-wave evangelism of the Prophetic Bible Institute does it consider it good business to hold a gun at the head of every prospective advertiser and tell him to "Advertise in the Albertan—or else . . ."? A newspaper that would offer a stock issue of the type it has just offered as a good investment is capable of almost anything. But let it not assume that its conception of journalism is in accordance with the policy of every other paper.

It so happens that The Financial Post's news and editorial columns are governed by other considerations. The interest of the reader comes first. No one can buy the favorable attention of The Financial Post. No one can influence our expressions of opinion, either by advertising or not advertising.

A travelling representative of The Post called on the Calgary investment firm offering Albertan shares. He suggested that the prospectus be published in The Post. The editors who wrote the articles about the issue did not even know he had called, not that that would have made any difference to their comments. Moreover, had the representative secured an order to run the prospectus, no advertising could have been run without first being submitted to the editors for their approval. When the fiscal agent said he did not care to advertise, he saved the editors the possible embarrassment of having to reject the advertisement on the ground that it did not measure up to The Post's standards.

The Financial Post did not get from the fiscal agent all the facts about the Albertan stock issue that it asked for. It got some of them from the official files at Edmonton. It has published many facts about the deal which probably have not yet appeared in the Albertan itself. Certainly they have not yet appeared in the advertisements published by the "fiscal agents."

25 Years of Maclean's

WITH its March 15 issue, Maclean's Magazine celebrates the 25th anniversary of its publication under that title. Actually "Canada's National Magazine" is older than a quarter of a century. Under the name of the "Busy Man's Magazine" it was published by Col. J. B. Maclean for a number of years before its character was broadened and its title changed.

With more than a quarter of a million circulation, Maclean's has moved to a commanding position among Canadian periodicals. Everyone in Canada knows Maclean's and it goes into a very large proportion of the homes of the country. Its columns have always been free of the cheap, the tawdry, the salacious or the merely sensational. Many of Canada's chief writers and artists got their start in Maclean's and every month it is discovering new talent here in its homeland.

Publishing a magazine in Canada is no simple task; not if it is a good magazine. There are serious problems of tariffs, taxes and higher costs to contend with. The publishers of Maclean's have put a great deal of effort into this excellent periodical but they have had to take their reward in prestige and public appreciation rather than in profit. The same amount of effort put into the manufacture of shoes or ships or the sale of groceries or hardware might have been translated into millions of profit. A magazine publisher, over a term of years, is fortunate to break even.

National magazines are part of a country's literature. The contribution of Maclean's Magazine in this regard has been a splendid one. The Financial Post is happy to extend congratulations to its sister publication upon its anniversary.

No Wheat Favors

RUMORS are reported current in Great Britain to the effect that the Canadian Wheat Board is extending favors to Canadian flour exporters. If Canadian millers are so favored, British millers will ransack the world for wheat, rather than use Canadian, reads the warning that comes from Great Britain.

The new Wheat Board ought to nail this rumor, if it is not true. The Financial Post is informed that it is not true.

It may be that the British miller has been confused by the fact that Canadian millers have recently been protesting against what they regard as freight rate differentials that operate against their interests.

Canadian millers operate under certain definite disadvantages in regard to their British competitors. There is a considerable differential in favor of freight rates on grain as compared with flour. Ocean flour rates from British ports to the important West Indies markets are only about half those from Canada's Atlantic outlets. Canadian millers argue rightly that Canadian flour exports often form the spearhead for Canadian wheat. They would like an adjustment in freight rates.

These are matters outside the jurisdiction of the Canadian Wheat Board. Representations would be made to an entirely different branch of the government and would have nothing to do with the Dominion's wheat policies. To an outsider, however, such distinctions are not always clear while rumors usually make no pretence of preliminary investigation at all.

The Canadian Wheat Board owes the overseas buyer a prompt and official statement dissociating itself from any favoritism of the kind rumored. Its business is to sell wheat to the world without favor. Since December it has been doing that job very satisfactorily. Export sales have been accumulating volume. Weekly disappearances from stocks in marketable positions give rise to the hope that, for the first time in years, Canada's wheat carryover may drop well below a hundred million bushels at the end of the crop year.

A Case for Reform

PREMIER HEPBURN of Ontario has been making accusations against a Toronto newspaper, and says he cannot find company statements on the government's records to substantiate his claims. Mr. Hepburn may be wrong in these particular accusations but it is encouraging to have the head of the government discover some of the inadequacies of Ontario company laws.

If members of the government would make a close scrutiny of company records and law in Ontario, they would find ample evidence that information made available in public documents is gravely inadequate. At the root of the matter are the shortcomings of the Ontario Companies Act.

The Dominion-Provincial conference at Ottawa recently decided that an attempt should be made to improve Canadian company laws and bring them to a uniform basis. A tremendous advance was made in the 1934 and 1935 revisions of the Dominion Companies Act, and the investor is getting the benefit in the form of more complete information on his corporation investments.

Revisions of the Dominion Companies Act have emphasized the inadequacies of provincial companies acts, particularly those of Ontario and Quebec.

A good place to start provincial companies act reform is in Ontario, where so many public corporations are born.

Editorial Notes

The Calgary Albertan says that its physical plant alone is worth at least the $600,000 the Social Credit group is asked to pay for the undertaking. The investors who are asked to buy Albertan stock would be more interested in an independent valuation.

* * *

A Social Credit journal in the West asks:

"If the success of Social Credit in Alberta were not reasonably assured why should Sound Money oppose it so vigorously?"

The implication apparently is that Social Credit and sound money are on opposite sides of the fence. Now we're getting somewhere.

* * *

The Vancouver Sun demands that the budget come down early. But perhaps other people have not yet steeled themselves to take the shock of the higher taxes that will be announced.

Post-Scripts

Mr. Meighen on Shakespeare

SOME thousands of Canadians have enjoyed the unforgettable intellectual experience of hearing Rt. Hon. Arthur Meighen pay his tribute to "the Greatest Englishman of History." At Canadian Clubs and over the air Senator Meighen has several times given his address.

Worthy of high tribute, Mr. Meighen's address is now assured of a permanent place in our literature. It has been published in a book. And in another form, not only the words, but the inflections of the voice and the personality of Mr. Meighen himself have been preserved. Last week when Mr. Meighen gave his address to the Canadian Club of Toronto it was inscribed on a wax record which promises to become the most cherished heirloom of the Meighen family.

S. B. Gundy, Toronto publisher, has just brought out Mr. Meighen's address in attractive book form. It is a volume every Canadian, old or young, ought to value. Sir Robert Falconer has written the foreword. It is economically priced at 50 cents.

The "greatest Englishman" was, of course, Shakespeare, whose writings Mr. Meighen has studied since his boyhood days. There was a time when Mr. Meighen had less fortune in writing of Shakespeare. As a student at University of Toronto, he was asked by Prof. D. R. Keys to write an essay on Shakespeare. About 100 such essays were written by the students. From among all of them, Prof. Keys selected that of the future prime minister of Canada to read to the class as an example of how an essay on Shakespeare should not be written.

Last week Prof. Keys, now retired from university teaching but still the literary correspondent of the Canadian Club of Toronto, listened to his one-time student give Shakespearian readings that would have won him a place in theatrical legend had he decided to go on the stage of the theatre instead of on the stage of political life.

As Mr. Meighen reminded his old teacher of the maligned essay of forty years ago, did he ponder the fact that while there are Pompeys who are rejected by the fickle mob, there are rejected ones who become Pompeys.

Sayings of the Week

"Trade thrives on freedom and dies of legislation."—*Will Durant.*

"Germany's youth belongs to the State alone."—*Baldur Von Schirach.*

"With the average lawmakers it is a long time between thinks."—*James J. Montague.*

"It is very difficult to make women believe anything that is so."—*Thomas A. Edison.*

"The English are a nation of undertakers. They can bury anything or anybody."—*James Douglas.*

"The systems of government in use are largely those of the eighteenth century."—*John Masefield.*

"There is nothing that so kills the ambition of a man as criticism from his superiors."—*Charles M. Schwab.*

"The young brain trusters caught the socialists in swimming and ran away with their clothes."—*Alfred E. Smith.*

"When war breaks out we submit the fate of nations to the stupidity of second-class brains."—*David Lloyd George.*

"When things go wrong, don't go with them."—*John W. Davis, former Democratic nominee for the U. S. presidency.*

"The successful man is not only ready to handle anything that comes up; he is ready for it before it comes up."—*Henry Ford.*

"A knowledge of economic principles is a decided handicap to a successful political career—just like a conscience."—*Hon. E. C. Drury, former premier of Ontario.*

"Every dollar which would be added to the purchasing power of the aged by the Townsend plan would have to be subtracted in taxes from the purchasing power of others." — *Dr. Irving Fisher.*

"Wealth in Every Acre"

Editor, The Financial Post:

The editorial page of your issue of Feb. 8 contains some important statements.

The editorial entitled, "About Mining Taxes," makes a plea for less taxation on the mining industry and says: "In the first place the production of metals is, in its early stage, entirely speculative."

In an editorial appearing in your issue for August 12, 1927, you said:

"Practically every inch of that 'dead heart of Canada' (the Precambrian) is laden with precious metals—with gold, silver, copper, even with iron, nickel, lead, and zinc. Practically every acre of that territory will some day be pouring forth its rich flow of wealth for Canada."

Evidence to Contrary

This was your pronouncement after a study of the subject and in the face of all evidence I had publicly submitted to the contrary. With mineralization on this intensive scale the speculative element in mining is obviously eliminated and, as your statement was made nine years ago, there should by now be more than ample freight for all Precambrian railways, these railways should now be paying dividends, and there should be no taxation handicap. Yet the opposite is the case.

C. G. Williams, secretary of the Canadian Metal Mining Association, with headquarters in Toronto, told the mining men in Vancouver last November that "Mining development in Canada today is not keeping pace with mine exhaustion." He also stated that in your own province, "from 1907 to 1933, 165,343 claims were staked and recorded from which only 43 mines were developed which paid one or more dividends." This does not check with your pronouncement. You have an opportunity right now, therefore, to show Mr. Williams where all this rich ore you know about exists.

Then there is the editorial entitled "A Major Export" in which C. S. Macdonald, of the Confederation Life, is quoted as warning that "Loss of confidence in the determination of some of our legislatures and municipalities to fulfil their contractual obligations has undoubtedly hampered Canadian agency organizations operating outside Canada."

Our Resources

Let us also get this straight. I have before me a statement of Leighton McCarthy, president of Canada Life, which appeared in the annual report of that company published in the press early in 1932. He said:

"We Canadians should look forward with confidence because our accumulated resources are infinitely greater than they have ever been, and our undeveloped wealth, which was once so largely a matter of speculation, rather than of proven fact, is now known beyond any doubt whatever to exist to an extent surpassing the most optimistic estimates made in past years."

This statement, in almost identical words, was also made by Sir Charles Gordon to the shareholders of the Bank of Montreal about the same time. As far back as 1917, which is as far as I have record, this bank announced "unbounded" wealth to its shareholders and the public.

Why, therefore, are these governmental obligations not honored? The only reason I can think of is that you have not demonstrated this infinite richness you have announced.

Your note on the same page in reply to "Common Sense" refers to railway bonds unloaded on the public by promotors and politicians. The above quotations show that all statements of promoters and politicians were more than endorsed by The Financial Post and leading bank and life insurance presidents.

At present these financial concerns are a unit in upholding the sanctity of contracts and in deploring repudiation and default. I am with you in this but I have quoted definite statements and promises you have also made, the fulfillment of which is long overdue. Make good on these statements, demonstrate this wealth in every Precambrian acre and this surpassing and unbounded wealth throughout Canada, on which the public has borrowed money for equipment, and there will be no serious mining taxation and there will be no default by the public. It is your move first.

C. M. CAMPBELL,

Vancouver.

Editor's Note: Mr. Campbell is a well-known "debunker" of what he regards as over-enthusiastic statements regarding Canada's natural resources. Articles from his pen have been published in The Financial Post.

He asks The Post to fulfill promises it has made. The only "promise" he cites is an optimistic statement on Canada's mineral prospects made in 1927. Does he not regard Noranda, the Frood Mine, Flin Flon, Central Patricia, Pickle Crow and numerous similar developments that have come to real fruition since 1927 as some measure of fulfillment?

Does Mr. Campbell think Canada has reached the end of its possible mining development?

In the Mail

National Issues and Solutions

Editor The Financial Post,—

Why is the writer a constant reader of The Post? The answer is that in no other Canadian newspaper can one find such frank expression of constructive opinion respecting national problems.

In the limited space in the column "In the Mail," only a restrictive illustration is possible, as for instance, The Post in contrast to the fruitless discussions in the House of Commons, which lead nowhere, makes clear the solvability of the wheat problem, by frankly publishing the constructive counsel of Sir Robert Falconer in the following words: "It will be solved not by securing for a few years more markets and higher prices. We must ask how much wheat we should grow, and in what proportion to other agricultural products."

MALCOLM CAMERON.

Ottawa.

Uses For Wheat

The Editor, The Financial Post:

I notice that you include in this week's editorial on "Our Wheat Problems" the aim of "new commercial uses for wheat." I congratulate you upon this viewpoint, and would frankly express my own conviction that the industrial scientist—were Ottawa authorities alert enough to give him the assignment—could play a notable rôle in the evaporation of the wheat surplus.

W. P. D.

Toronto.

A Letter to Leacock

Editor, The Financial Post:

I have sent the following letter to Prof. Stephen Leacock:

"Your article in the Financial Post of Feb. 22 is most interesting, especially on the railroad situation. I wish you would write a few more like this one. If you do it would be in order to illustrate by pointing out that on this line of the C.P.R. there is a duplication of stations at Druid and Dodsland, Rosetown and Conquest. Furthermore, at Conquest one has to pay 25 cents each way between stations, less than one mile. I do not doubt there are other and many points where costs could be substantially reduced. Keep up the good work and perhaps the politicians will awaken before it is too late."

READER,

Plenty, Sask.

As Others See Us

Hard to Stomach
Brantford Expositor

The Financial Post figures that there are more than 60 taxes concealed in a loaf of bread. No wonder it is sometimes hard on the digestion.

The Terrible Taxes
New Liskeard Speaker

The Financial Post has an article in which the matter of mining taxes is dealt with. On the whole the article would lead one to believe that The Post believes mining operators are hardly dealt with. Here is one paragraph:

"The industry feels keenly that present taxation schedules are unfair, and are tending to stifle a very vital contributor to Canada's well being."

The fact is there is not an industry in the land—or perhaps any other land at the present time—which is not of the opinion that each one's own particular industry is unjustly taxed.

But after we seriously think this taxing matter out to a finish, and ask ourselves what we publishers would do if we were sent to parliament—and sometimes they actually are sent there—and had to have money or become an insolvent country? Perhaps we, also, would go for the money where it could be found.

Other People's Views

The Good-Old Days
Dayton Journal

The funny part of it is that people still living twenty years from now will be calling these the good old days.

Grow Up and Pay
Wall Street Journal

Rock-a-bye baby, why do you fret?
Are you aware of the National debt?
Father has gone 'round the corner to vote
Millions in bonds for his snookums to tote.
Are you suspicious? Sleep while you can.
You can squirm later, dear, when you're a man.

Bootstrap League
News Letter of New Jersey Manufacturers' Association

The "Lift 'Em by the Bootstrap" League otherwise known as the LEBBL, has advanced a substitute for the Townsend plan. It is known as a "Retire At Birth" plan. Under it, each new babe, when born, would get a $20,000 promissory note. Until he (or she) was twenty years old and could claim the money (stage money?) his or her parents would get 3 per cent interest, or $50 a month. Thus a couple could marry at twenty, have $40,000 in capital, and get $200 a month from the government in addition by raising four children. Then nobody would have to do that unsocial thing they used to call work, back in those horse and buggy days.

Smaller Legislatures
Winnipeg Free Press

A number of the provinces, including Nova Scotia, Ontario and Saskatchewan, have reduced the size of their legislatures in recent years, and the Alberta Legislature will have before it at the coming session a proposal to reduce its membership.

There is much to be said for the proposal. The advisability of reducing the Manitoba Legislature was generally admitted a few years ago but there was failure to agree on the method to be followed.

A reduction of 21 members would mean a saving on indemnities. There would also be a saving in the cost of elections.

The election of fewer members from much larger constituencies should mean the raising of the average capacity of the membership.

With a smaller legislature, there would also be less time wasted in political discussion and greater concentration on the actual business of the province.

Stop Me If You've Heard This One

The parson had been preaching an hour and a half on the immortality of the soul. "I looked at the mountains," he said, "and I thought, 'Mighty as you are, you will be destroyed, but my soul will not.' I gazed at the ocean and, cried, 'Vast as you are, you will eventually dry up, but not I.'"

And then he wondered why a sort of suppressed titter ran through the congregation.

STOCK MARKET PRICES

The course of stock market prices in Canada, United States and Europe is shown in our March Investment Letter which also contains a brief discussion of the economic significance and results of rising prices.

A copy will be mailed gladly upon request.

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An Advertising Agency President writes—

"We'd just as soon go back to 'Town Crier Days' as do without Ediphone Voice Writing. It has increased our business capacity at least 30%!"

(From Edison Records of the World's Business)

The President of an advertising agency writes: — "Ediphones give each of our account executives complete dictation freedom. No one has to wait for secretarial service. Letters, telephone calls, memos, plans, etc., can be dictated any hour.

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Week in Business

Retail Trade Shows Decline

Employment Less Buoyant

Active Business Expected in Fall

Cold weather and seasonal influences combined to reduce employment in Canada on the basis of February returns. The cold weather was particularly important in its effect on retail trade which reported to the Dominion Bureau of Statistics a decline in working force of 11,184 persons as at Feb. 1, compared with corresponding figures the previous month. The index dropped from 148 to 128 (1926 equals 100) which was substantially greater than the average post-Christmas decline at this time of year. Summary facts of retail sales in January are given under Business Indicators below, with details on Page 1.

* * * *

The Bureau's index for all types of employment fell from 106.1 to 103.9 after correction for usual seasonal movement, which was a considerably larger contraction than is customary at this time of year. The index still remains higher than for any month in 1935 and is also higher than at any earlier date since the spring of 1931. Seasonal improvement occurred in manufacturing establishments which absorbed 9,000 additional workers, an increase of 1.8 per cent over the preceding month's total. Largest gains were in iron and steel, textile, leather and lumber industries. But the increase as a whole was not as great as normally takes place at this time of year.

By areas, British Columbia was the only province to show increased employment, the reduction in the Maritimes being particularly noticeable. By cities, gains were shown in Montreal, Hamilton, Windsor and Vancouver, while the trend was downward in Quebec, Toronto, Ottawa and Winnipeg.

* * * *

Employment in Canada is the subject of an extensive monthly review this week by the Bank of Nova Scotia. The survey discloses two interesting facts. First that the average number of wage-earners employed in Canada in 1935 was 1,746,000 (exclusive of agriculture and public services) an increase of 3 per cent over the corresponding figure in 1934. For every 200 persons employed in Canada in the peak year 1929, there were 151 busy in the low year (1933) and 175 on the average during 1935. Another important disclosure is the steady increase in persons employed in the "services" in Canada.

* * * *

Looking beyond our own doorstep, latest authoritative advice from Washington says President Roosevelt hopes to be re-elected this fall on "a tidal wave of good business." Broad markets are anticipated in the autumn with buoyant farm purchasing power, bonus payments playing an important part. Plant expansion and revival of heavy goods industries are expected to buttress improvement over the summer.

Business Indicators

Changes of the Week

Favorable

Railway Earnings—Net earnings for both railways in January show very sharp improvement, the gain for C.P.R. being particularly spectacular.

Unfavorable

Retail Sales—Though the January index is slightly higher than a year ago, the decline in sales for the month was greater than normal. Chief changes compared with January, 1935, include: a 7 per cent gain in hardware and furniture sales; 11.6 per cent gain for candy stores; a 4 per cent drop in department store sales. Grocery and meat sales were the best since August, 1932.

Other Declines—Construction contracts awarded; electric power output and coal imports.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1936	Latest 1935	Cumulative Total Jan. 1 to date 1936	Cumulative Total Jan. 1 to date 1935
Transportation—				
Car loadings (Feb. 22)	▲43,566	45,012	321,654	339,117
C.N.R. gross earn. (Feb. 21)	$ 3,127,186	$ 3,063,173	$ 21,522,081	$ 21,258,509
C.P.R. gross earn. (Feb. 21)	$ 2,190,000	$ 2,078,000	$ 15,878,000	$ 14,774,000
Business Conditions—				
Weekly index D.B.S. (Feb. 22)	▲109.4	99.9	......	......
MONTHLY DATA	**1936**	**1935**	**1936**	**1935**
Business Conditions—				
Financial Post index (Jan.)	107.6	97.1	......	......
Transportation—				
C.P.R. net earnings (Jan.)	$ ▲612,572	$ 204,313	......	......
C.N.R. net revenue (Jan.)	$ ▲‡576,330	$ ‡746,353	......	......
Iron and Steel (Jan.)—				
Pig iron production (tons)	61,336	44,416	......	......
Steel ingots and castings prod. (tons)	100,225	59.526	......	......
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Jan.)	4,730	2,857	......	......
Factory output (Jan.)	11,370	8,269	......	......
Trucks and Buses:				
Domestic sales* (Jan.)	814	615	......	......
Factory output	2,041	2,338	......	......
Exports (Jan.)	5,062	4,586	......	......
Construction—				
Building permits (Jan.)	$ 1,283,716	$ 882,878	......	......
Contracts awarded (Feb.)	$ ▲8,227,700	$ 10,672,200	$ 21,838,100	$ 28,892,300
Newsprint (tons)—				
Production (Jan.)	227,955	201,959	......	......
Exports (Dec., 1935)	277,743	245,135	2,574,987	2,399,606
Sugar (lb.)				
Melting & shipments§ (raw)	21,055,285	17,133,660	......	......
Manufactured§	24,044,674	29,801,281	......	......
Flour (bbls.)				
Production (Dec., 1935)	957,219	953,205	14,208,802	14,655,062
Wheat flour exports (Jan.)	314,311	346,099	......	......
Trade (January)—				
Retail trade (index no. of sales)	▲70.0	69.2	......	......
Imports	$ 40,590,276	$ 37,229,405	......	......
Exports	$ 54,417,324	$ 43,901,826	......	......
Wheat exports (bush.) (Jan.)	7,557,320	5,380,266	......	......
Employment, D.B.S. Index (Jan. 1)—				
All industries	99.1	94.4	......	......
Manufacturing	96.8	91.3	......	......
Electric Power Output (Jan.)—				
Total monthly (000's omitted)	▲2,091,041	2,012,742	......	......
Aver. daily	▲67,452,000	71,444,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (Jan.)	72,236	75,191	......	......
Boot & shoe prod., pr. (Dec., '35)	1,565,986	1,170,010	21,712,685	18,491,817
Crude petrol., imp., gal. (Jan.)	61,131,349	59,948,284	......	......
Cotton imports, lb. (Jan.)	19,939,607	11,068,000	......	......
Raw rubber imp., lb. (Jan.)	3,938,272	5,980,505	......	......
Coal imports, tons (Jan.)	▲452,678	479,026	......	......
Finance—				
Bank debits (Jan.)†	$ 2,992,068	$ 2,682,050	......	......
Bond sales (Jan.)	$ 133,657,114	$ 19,226,500	......	......
Life insurance sales (Jan.)	$ 34,221,000	$ 32,988,000	......	......
Automobile Financing—				
Used cars (Jan.)	$ ▲974,896	$ 513,076	......	......
New cars (Jan.)	$ ▲1,035,878	$ 651,272	......	......

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to Jan. 25, 1936. ‡Deficit.

An Attractive Public Utility First Mortgage Bond

Earnings of Newfoundland Light & Power Company, Limited, have shown steady growth over a number of years. For 1934, they were equal to more than 3 times annual interest on all first mortgage bonds now outstanding.

Newfoundland Light & Power
4½% First Mortgage Bonds, due 1956
Price: 101½ and interest
to yield 4.38%

Descriptive circular on request.

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World Fairs Show Wares From Canada

New Trend in Dominion Merchandising is Getting Results

IN DISTANT LANDS

By JAMES MONTAGNES

When the state of South Australia opens in March its centennial exhibition at Adelaide, the Dominion of Canada and Canadian business houses will be among those represented. As part of its campaign to increase the foreign markets for Canadian products, the Dominion government is taking part in a large number of fairs and exhibitions throughout the world during 1936.

The state of South Australia began its centennial celebrations at the end of January with a vast athletic conclave for the athletes of the commonwealth. Then follows the Empire exhibition from March to May, and later in the year golf, sport, floral and other shows will be held throughout the state. On December 28, 1936, the final ceremony will be held at Glenelg to commemorate the founding of the state there 100 years ago to the day.

Thirty Booths

Canada's exhibit at the Adelaide exhibition will consist of 30 individual booths, according to present plans of the Canadian Exhibition Commission of the Department of Trade and Commerce. Decorated in various shades of mauve with large maple leaves, the coat-of-arms of Canada and flags, the entire Canadian section is to be uniform.

It is expected according to space reservations to date, that a large number of manufactured commodities will be on display in the booths, while canned products of the farm and sea will also be shown at this exhibition 10,000 miles distant, where only Empire products will be seen.

World-Wide Coverage

The participation in the Adelaide exhibition is part of the schedule for 1936 which takes in exhibitions in as distant places as Johannesburg, South Africa, in September; London and Birmingham British Industries Fairs; Lyons, France, in March; Utrecht, Holland, international exhibition in March; Hong Kong; London Building Trades Exhibition; Glasgow Housing and Health Exhibition; Dairy Show, Imperial Fruit Show and Grocers' Exhibition, all at London; and others where there are Canadian Trade Commissioners.

Trend to Merchandise

All Canadian exhibits are not entirely devoted to the display of merchandise grown or manufactured in Canada, and at many of the exhibits throughout the world during the past year government departments, especially those devoted to tourist activities, had displays. This type of exhibit at one time was practically the only type to appear from Canada at distant exhibitions, but in recent years, and since the formation last year of the Canadian Exhibition Commission's policy to take part in exhibits wherever there are Canadian Trade Commissioners, Canadian merchandise has appeared at many large and small exhibitions throughout the world.

These displays are operated either by the Canadian manufacturer direct, or by the importer in the distant country, with the Department of Trade and Commerce in some cases standing part of the cost of the exhibit, especially in cases where not enough exhibitors were present to form a Canadian Section.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.50	$7.00	$7.25
Hogs	9.25	9.60	9.25
Copper, lb.	.09¼	.09¼	.09
Cotton, lb.	.1130	.1145	.1260
Rubber, lb.	.1556	.1568	.1256
Sugar, raw, lb.	.0345	.0338	.0297
Silk, lb.	1.66	1.75	1.40
Wheat (Man.) bus.	.81⅝	.81⅞	.81½
Coffee, lb.	.06¾	.07	.08
Weekly Indices			
N. Y. Annalist	124.9	127.2	124.9
Fishers'	83.3	83.8	82.0
N. Y. Journal of Comm.	79.3	81.1	79.7
Crumps (Brit.)	68.2	68.5	64.1
U. S. Labor	80.6	80.4	79.4
Canada (D.B.S.)	72.6	72.4	72.1

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Jan.)	80.8	80.8	78.8
W'sale (Jan.)	72.9	72.6	71.4
U. S. Labor (Dec.)	84.6	84.8	80.7
Gt. Brit. (Dec.)	77.3	77.2	71.1

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: Sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

Claims 200 Miles On Gallon of Gas

Charles Nelson Pogue, of Winnipeg, is the 38-year-old man who claims to be getting 200 miles and more to a gallon of gasoline, says Canadian Automotive Trade. He is financed by W. J. Holmes of the same city and has affidavits that his new carbureter will and did drive a stock car more than 200 miles on a single gallon of gasoline.

The carbureter resembling a large tank, fits under hood of the car. Gasoline is drawn from the supply tank, enters a chamber, is vaporized by heat from the motor. Vapor then passes through a series of coils into a mixing chamber where it is mixed with the proper amount of air before passing to the intake manifold.

The test consisted of pouring a measured pint of gasoline into the tank of an 8-cylinder coupe to which the carbureter had been fitted. Two dealers drove the car until the tank was emptied. The speedometer registered exactly 26.2 miles.

This would give a mileage of 209.6 miles per gallon.

Background of Business

Rayon Costs Analyzed

Rough Figures Show Wide Margin — Strikes Take Heavy Toll in 1935 — Bumper Maple Crop

Recently advance shipments of Japanese rayon reached Canada at a laid-down duty-paid price of 13 cents a yard. Against this price the cost of manufacture in Canada is said to be 17 cents per yard and the selling price to wholesalers about 18½ cents. The first shipments, which have come in at four Canadian ports, are said to total about 90,000 yards, with more to come.

To get a picture of the difference in costs of making rayon in Canada and Japan, The Financial Post asked a textile man to break down these figures. Here is the picture, it being remembered that all figures are rough and ready calculations which give a broad picture rather than a mathematical "fait accompli."

Cost of Making Rayon
(in cents per yard)

	In Japan c.	In Canada c.
Raw material	2	8
Mfg. costs, Labor, etc.	4	8.5
	6	16-17
Cost of laying down rayon in Canada	6-7	..
Total cost	12-13	16-17

These costs are on the new valuation basis achieved by Japan as a result of the Canada-Jap agreement of two months ago. The laid down price before the agreement is said to have been 19 cents per yard.

* * *

Trade Unions Busier

Unemployment among trade unions in Canada during 1935 averaged 15.4 per cent the lowest figure for any year since 1930 according to the Labor Gazette. On an average during the year there were 1,748 labor organizations forwarding reports to the Department of Labor each month embracing an average monthly membership of 164,909 persons.

Unemployment was at its greatest point for the year in February the figure in that month being 18.2 per cent. In each month of the year, however, the situation was more favorable than in either 1934, 1933 or 1932.

* * *

Strikes and Lockouts

Strikes and lockouts in Canada in 1935 cost the country 288,000 man hours and involved over 33,000 workers in 120 disputes according to the annual survey of the Department of Labor, Ottawa. Some 719 employers were involved.

A year ago similar figures showed a loss of 574,500 man hours involving 45.800 workers in 191 disputes.

Most of the time loss occurred in coal mining, logging, clothing manufacturing and water transportation (longshoremen) but there was also substantial time loss in fishing, printing and in shoe and metal manufacturing. Except for coal miners, longshoremen and woodworkers where union troubles were responsible, the chief cause of disputes was demand for increased wages.

* * *

Big Business

This year's lumber shipments through Victoria are reported as exceptionally heavy for this time of year, and it is anticipated that the logging industry will put $100,000 more a month into wages and purchasing power in the province during 1936.

Approximately 10,000 loggers will earn and spend $11 millions in the twelve months' period.

* * *

Tip For Tax Collectors

A survey by the New Brunswick Automobile Association discloses that Canada has one auto for every eight persons, says Canadian Automotive Trade.

"The highest per capita figure of automobiles owned is found where the lowest auto taxes prevail," says the association.

"It is unquestionably true that, in many jurisdictions, the level of motor taxes has reached the point of diminishing returns, and that attempts to saddle additional taxes on motorists will inhibit inevitably both car ownership and car use. The sooner this view is realized by the legislators, the better it will be for highway transportation and for the nation as a whole."

* * *

World Commodity Prices

Rising wholesale prices in countries abroad tended to gain impetus during the final quarter of 1935. This was clearly noticeable in the United Kingdom, Sweden and Japan. Further increases were also recorded by wholesale price indexes for countries still within the European gold "bloc." Advances over 1935 low points by indexes within this area have approximated nine per cent for France, over six per cent for Switzerland, and three per cent for the Netherlands. These increases are about two years behind the general advance which became apparent in most countries about the middle of 1933. A recent secondary rise in wholesale prices has placed current price levels in Japan upon a par with those existing early in 1930. This represents a greater recovery than has occurred in any other country with the exception of Chile.

* * *

Willys-Overland Freed

The three-year-old federal receivership of Willys-Overland was dissolved Feb. 25.

David R. Wilson, who had been acting as receiver for Willys-Overland, was elected unanimously as president and a director of The Willys-Overland Co. by the board of directors.

The management will now be able, it is believed, more efficiently to control production schedules by placing them on a scale commensurate with market potentialities of the product, also advantages will accrue from the independent purchasing of material.

* * *

Bumper Maple Crop

Canada's maple trees yielded 2.2 million gallons of maple syrup in 1935 compared with 1.8 million gallons in 1934, an increase of 22.5 per cent. Production of maple sugar was 6.5 million pounds, an increase of 32.3 per cent. The entire output in pounds of sugar was 29 millions compared with 23 millions in 1934. Of this quantity approximately 21.5 million pounds were produced in Quebec, 7 millions in Ontario, and the remainder in the Maritime Provinces.

The value of the entire crop was $3,522,000, the largest figure in a number of years. The average prices were $1.24 per gallon of syrup and 11 cents per pound of sugar.

Exports during the fiscal year 1934-35 amounted to the equivalent of 4,241,000 pounds of sugar, the greater part of which went to the United States, where it is used largely for flavoring tobacco.

* * *

Change License Plan

Institution of a 15-month automobile license year commencing Jan. 1 of this year, as announced previously by the Alberta government, has been abandoned, and the license year will run concurrently with the calendar year, according to Hon. E. C. Manning, provincial secretary, says Canadian Automotive Trade.

This, however, does not alter the government's decision to change the license year to conform with the fiscal year, starting April 1, 1937, as previously announced, stated the minister.

It had previously been announced that as the new license year would start on April 1, 1937, licenses issued in the current year would be good until that time. In other words, the first three months of 1937 would enable motorists to run their cars "gratis."

* * *

Lumber Prices

Willingness of European shippers to accept low prices and an advance in freight rates are given as reason for the lumber market in Eastern Canada having settled "in a rut," says Maritime Merchant. The advance in freight rates to 55 shillings became effective February 1. Expectations that in view of the expected short-cuts during the present season, prices would be stronger later on, have not as yet been realized.

* * *

Plan New Salt Plant

Erection of a $70,000 salt refinery at Fort McMurray in the spring will be carried out by Industrial Minerals, Ltd., a new company formed to develop the McMurray salt deposits, according to F. I. Batchelor, Cornwall. The plant will be confined to manufacturing table salt at the outset, it being planned to branch into various grades of salts later.

The refinery is to be erected beside the railway at McMurray, and if necessary the brine may be piped from wells some distance away. Production is expected to commence by next September. The plant will have an annual production of 30,000 tons and will employ approximately 40 men.

What's What In Advertising

By TORY A. FLEMING

Effective April 1, 1936, advertising for J. C. Eno Canada Ltd. will be directed by the Tandy Advertising Agency, Toronto. Products of the firm include Eno's fruit salts and Thermogene.

* * *

Products of the Bristol-Myers Co. of Canada Ltd., Montreal, are to be advertised on a more extensive scale this year. Plans include additional advertising for Vitalis hair tonic and a heavier newspaper schedule for Sal Hepatica and Ipana toothpaste. Ingram's Milkweed Cream, formerly advertised in the summer only, has become a year-round feature in magazines.

* * *

A. W. Neale, late of Pepler-Neale Ltd, has joined E. C. Reid to form Neale & Reid. Mr. Reid was at one time with A. McKim Ltd. The new firm will operate as advertising counsel with offices at 31 Wilcox St., Toronto.

* * *

Montreal office of J. Walter Thompson Ltd. in future will direct the advertising activities of Johnson & Johnson Ltd., makers of hospital and pharmaceutical products.

* * *

Appointment of Edmund P. Thomson to the staff of its Winnipeg office is announced by Norris-Patterson Ltd., advertising agency. Mr. Thomson has been with the Hudson's Bay Company in its advertising department and was editor of the firm's staff publication.

* * *

Frank Tees has joined the Montreal office of the Canadian Advertising Agency Ltd. as an account executive, leaving the Desbarats Agency. He also saw service with Stevenson & Scott of the same city.

* * *

Appointment of H. W. E. Pepler as vice-president and director is announced by the Benison Co. Ltd., Montreal. He takes charge of the new Toronto office of the advertising agency in the Imperial Bank Building, King and Bay Streets. Mr. Pepler had been president of Pepler-Neale Ltd., Toronto advertising agency.

EFFICIENT MANAGEMENT, based on long experience, and a sound investment policy have contributed largely to the stability of this Corporation, which is privileged to serve an ever-increasing clientele.

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Corporation Limited
MONTREAL OTTAWA TORONTO

W. C. Pitfield & Company
Limited

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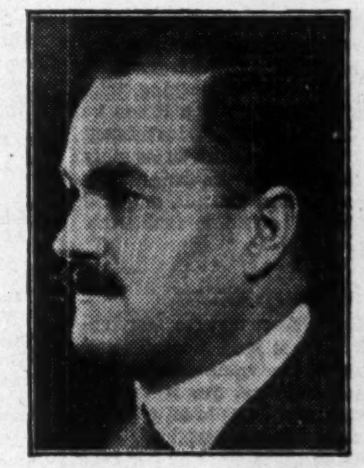
"Canada's Greatest Trusteeship Guards the Savings of 3,500,000 Canadians"



HON. CHAS. A. DUNNING
Minister of Finance

THE Honourable Chas. A. Dunning, Minister of Finance, very aptly describes Life Insurance as "the greatest economic trusteeship within the boundaries of this country".

"Millions of small investors," points out Mr. Dunning, "rely upon this trusteeship to handle for them their small savings in a manner which would be impractical and impossible for them to do themselves."

Bearing out the truth of the Finance Minister's statement are several important facts:

First—As trustees for thrifty people, Life Insurance Companies distribute millions of dollars each year to policyholders and beneficiaries—keeping homes intact, relieving distress, educating children and providing financial security in old age.

Second—These Life Insurance Companies in Canada are responsible to more than 3,500,000 policyholders for the administration of savings totalling more than Two Billion Dollars.

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Life Insurance

Guardian of Canadian Homes

In The Construction World

Lenders "From Missouri"

LACKING the full co-operation of Canadian lending institutions, the Dominion Housing Act is making slow progress. In theory it provides the machinery by which a revival of home building can take place, but in practice it has proved anything but the effective measure it was intended. It is still unattractive to lenders.

Insurance and trust companies or other lending institutions are the source from which most of the money for housing, under the act, must come. Heads of these organizations are constantly seeking channels of profitable and safe investment. Yet they are obviously, if not admittedly, cool to the Dominion Housing Act. Observers believe the impasse is likely to continue until regulations under the act are altered in a way to attract investment funds, with minimum risk to the lender, and a fair return on the money.

* * *

Cost Is Excessive

THE reason appears to lie in the practices rather than the theory of the housing act and its regulations. Had the act proved sufficiently attractive to lenders, the volume of new home building under its provisions would have exceeded the $705,709 total reported up to the end of last month. This figure represents applications under the act received by lending institutions and recommended to the Department of Finance at Ottawa.

The experience of one large insurance company tells the story. The company is understood to have made more than half the total volume of loans under the act to date.

But like other insurance companies, it can only make loans in areas where the investment is under the direct supervision of the company's branch office or representative. It cannot open branches or send representatives to every village where a new house is sought under the act, and it cannot afford to invest its funds in house projects over which it cannot retain some measure of supervision or control.

Inspection of homes is necessary at each stage of construction if they are to be built in conformity with original plans and specifications. The necessity is known to every architect's inspector, and the lending institutions find it impossible to maintain inspection service where the costs and servicing the loan itself eat up all return on the investment. Insurance company officials hold it is therefore entirely out of the question to consider loans in rural, or sparsely settled areas.

* * *

Urban Loan Conditions

FOR an entirely different reason urban loans are likewise unpopular with the lending companies. In larger cities or even towns, the company can closely supervise construction operations at reasonable cost, but the difficulty in cities is to find borrowers to whom money can be lent with reasonable safety and profit.

Competition in the urban lending field is so severe that insurance companies have found there is far more money available for loaning than there are loans on which it can be made. With narrowing of investment security yields, the task of soundly investing insurance companies' funds has become more difficult, and still other factors enter into real estate lending.

* * *

Unfair Competition

INSURANCE companies, for example, cannot lend more than 60 per cent of the value of the contemplated building, yet it is held other lending sources in an effort to secure desirable business, have been able to loan up to 80 or 90 per cent of the true value by the simple process of writing up the valuation of the property. Larger insurance companies will not compete with these practices, and must therefore stay out of the highly competitive urban lending market for real estate.

According to one insurance company official, still another obstacle exists to urban loans. In such cities as Montreal, Quebec and some of the Maritime centres, 90 per cent of loan applications have to be refused because applicants desire to build in unsuitable localities, or because of other stipulations made by applicants.

* * *

Refusal Is Boomerang

TO REFUSE an application for a loan under the Housing Act is to invite trouble for the company, insurance men say. Refusals act in the same way as a boomerang or the traditional bad penny. They return in the form of ill-will against the company, loose and distorted talk on the part of the rejected applicants, and possibly in the form of loss in potential insurance business.

Changes have been rumored in Housing Act regulations for some time, but nothing of a definite nature has developed, and until it does, the half-hearted support of lending institutions is likely to continue. Nothing is so timid as capital.

Tied in red tape, regulations are claimed by some observers to be onerous, inconvenient and cumbersome, and here, too, seems to be a basis for consideration on the part of those charged with making the legislation effective.

Regina Building Activity Lowest in Last Six Years

Regina building activity experienced its greatest slump in six years, during January and February. Two permits were issued in the

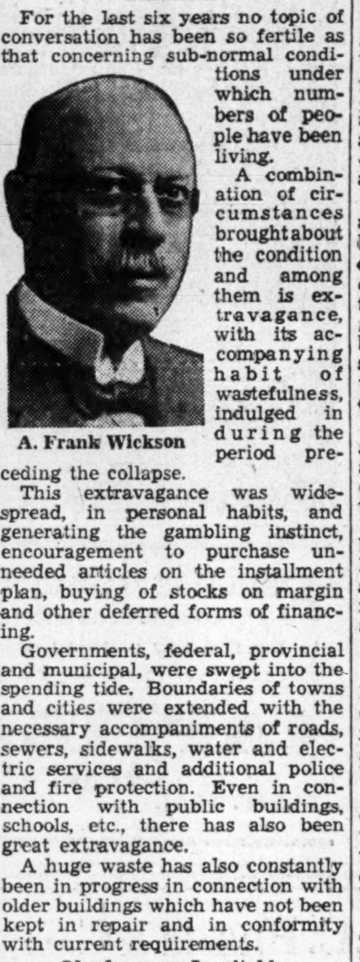
Rehabilitation Checks Property Value Slide

Owners Must Guard Against Obsolescence and Deterioration

This is the third in a series of articles discussing the background of the building situation, by one of Canada's leading authorities on building and architectural trends, A. Frank Wickson, past president of the Royal Architectural Institute of Canada.

By A. FRANK WICKSON, F.R.A.I.C.

For the last six years no topic of conversation has been so fertile as that concerning sub-normal conditions under which numbers of people have been living.



A. Frank Wickson

A combination of circumstances brought about the condition and among them is extravagance, with its accompanying habit of wastefulness, indulged in during the period preceding the collapse.

This extravagance was widespread, in personal habits, and generating the gambling instinct, encouragement to purchase unneeded articles on the installment plan, buying of stocks on margin and other deferred forms of financing.

Governments, federal, provincial and municipal, were swept into the spending tide. Boundaries of towns and cities were extended with the necessary accompaniments of roads, sewers, sidewalks, water and electric services and additional police and fire protection. Even in connection with public buildings, schools, etc., there has also been great extravagance.

A huge waste has also constantly been in progress in connection with older buildings which have not been kept in repair and in conformity with current requirements.

Obsolescence Inevitable

In all buildings there is an inevitable tendency to obsolescence and physical depreciation and both are serious conditions. Obsolescence is the "going out of use" which represents a decline in value and usefulness due to various causes and sometimes occurs in a shorter time than even depreciation.

It is brought about by various conditions such as:

Normal growth of the business district of the city.

Shifting in location of the business district.

Competition of new buildings.

With this certainty of a drift toward obsolescence it follows that an owner should so finance his building that provision will be made out of revenues received to ensure ability to meet expenses inevitable when obsolescence becomes a serious detriment to its rental value.

Depreciation results from the effects of physical wear and tear and it is more easily prevented than obsolescence. It is an actual loss which must be faced as an expense in connection with the building.

An important question arises as to whether it is necessary to allow either obsolescence or deterioration to reach the point which renders a building useless.

To ignore possibilities connected with the salvaging of much valuable construction is to be guilty of wastefulness, whole localities having become second class by reason of owners in sections of a city neglecting to act on the principle that buildings must be kept up to date and in a good state of repair. In other words obsolescence and deterioration must be combatted if property values are to be stabilized.

Declining Values

When buildings are allowed to reach a certain stage of decadence the ground values suffer and this again reacts on the obligation to keep premises as they should be kept. Thus the vicious circle affects the renting value and so the downward slide becomes accelerated.

Buildings which are a disgrace to any community are in some places being razed and new structures erected, or the ground used for other purposes. On the other hand there are buildings which have been good business premises and have been allowed to degenerate into second and third class buildings when they should still be in the first class.

Erection of buildings is constantly being urged but it is advisable, on the other hand, that owners of existing buildings realize the necessity of rehabilitating these buildings and so save them from being liabilities instead of assets, to keep not only the edifices themselves but the localities as well from developing into semi-respectable slums.

Rehabilitating a Building

In the heart of one of Canada's large cities there stands an old eleven story fireproof office building with many new competing structures in the immediate neighborhood.

Several years ago the owners decided a change was necessary in the entrance and extensive alterations were made to convert the approach into an attractive vestibule and hall.

Subsequently and in a short time, realizing the elevator service was slow and out of date, they replaced the old elevators with the latest high speed models and the building now compares favorably with the most modern in comfort and convenience. It is well occupied.

The writer recently inspected a number of buildings in what was once a valuable section. Following deterioration these buildings have become occupied by tenants unable to pay remunerative rents, and in turn, owners have allowed further impairments to follow.

Finding the Money

Financing of required remodelling is often a problem, the owners in many cases not having funds for the purpose and finding difficulty in obtaining loans.

It is unfortunate that at the present time, when the government is endeavoring to promote work by setting apart $40 millions for the purpose, no provision has been made for the rehabilitation of existing structures.

Urgent consideration of this phase of the building programme is needed.

May Assess Land On Rental Value

From Our Own Correspondent

VANCOUVER.—This city is thinking of assessing real estate on an entirely different basis from what has been the accepted practice in the past. The basis would be annual rental values, and those who sponsor this plan contend it would be a surer means of appraising property according to its real value.

The Vancouver Real Estate Exchange suggested the new plan and the city council seems to think the scheme worth trying out in some sections of the city this year and, if found satisfactory, will be extended to all sections. Land is now being taxed on its full assessed value, and improvements on 50 per cent. If the rental value is accepted as a basis, the tax payments would be made collectible quarterly.

Ask Architects To Submit Plans For New Housing

Through the medium of cash prizes ranging from $50 to $500, Canadian architects are being asked by the federal government to submit designs for low cost houses, suitable for erection under the Dominion Housing Act.

The act sets a minimum standard for construction and materials and plans must conform to these. The scheme is part of the programme, under the act, to improve housing conditions and reduce costs of accommodation to Canadian families, but to date the number of applications by would-be home builders has not been large.

Provisions of the act include arrangements for a home builder to secure the larger part of the cost through a lending company at a maximum interest charge of 5 per cent, with 20 years in which to pay the amortization and interest costs.

Minimum Standards

A minimum of three bedrooms and total cubic content of 17,000 cubic feet, exclusive of garage, are set as requirements for competing architects' designs, but there is no restriction on style or type of dwelling.

A committee of fellows and members of the Royal Architectural Institute of Canada will act as judges of the designs.

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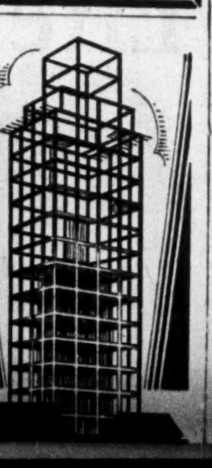

Algoma Steel Turning Out New Product

Further Diversification May Make It "Pittsburgh of Canada"

Of significance to the steel and construction industry is the announcement that Algoma Steel Corporation has produced the first Canadian 12-inch structural channel steel in the company's mill at Sault Ste. Marie, Ont.

Announcement was made recently by Sir James Dunn, president, and other officials of the company, of further diversification of Algoma Steel's operations.

Until now, the steel plant has been engaged largely in rolling rails, which did not result in favorable returns during the depression period when railway expenditures were curtailed. Under the new policy Algoma Steel will manufacture sheet steel, tinplate and allied products, with the object, according to Sir James Dunn, of making Sault Ste. Marie the "Pittsburgh of Canada."

200 Tons in Eight Hours

No difficulty was experienced in producing the new 12-inch section. Without preliminary trials, the huge 30-inch mill swung over from rolling 85-pound rails on the preceding day, to turn out the first new channels.

For eight hours the mill operated on channel steel, before it was again turned back to rails, but in that brief interval approximately 200 gross tons were produced in lengths ranging from 70 to 80 feet.

Canada's steel trade is already alive to the potential importance of the Algoma plant's expansion. T. F. Rahilly, general manager of the corporation, expresses satisfaction at the reception given by the industry to the new heavy structural sections.

Last year, starting in March, Algoma produced in succession the first Canadian-made 15-inch I-beams, 15-inch channels, steel sheet piling, centre-sill "zed" bars and 12-inch I-beams. Recent rolling of 12-inch channels marks the sixth forward step in providing the Canadian market with Canadian-made heavy steel shapes for structural steel construction.

Increased Employment

Production of the new steel to date amounts to about 7,500 gross tons. It has enabled the company to add to its payroll, as well as to purchase Canadian materials, supplies, and Canadian transportation services in large volume.

The company now has more than 2,200 men employed in the Sault plant, with payrolls running about $3 millions a year.

Mill rolls for all six of the new heavy structural sections were designed in the Roll Department of the Algoma plant, and completely finished in the plant, from the rough turned stage.

Reorganization of the company a year ago involved its complete separation from the formerly controlling Algoma Consolidated Corp. No financial statement of Algoma Steel will be available until the close of the fiscal year on April 30, 1936, but current and recent expansion efforts are regarded as of potential importance in relation to earnings.

Rail orders which have been guaranteed by the government to the extent of approximately 50 per cent have aided the company, but diversification of operations has improved the longer term outlook in which the company is no longer entirely dependent on railway business.

Slum Clearance Movements Held Economically Unsound

Slum clearance schemes are entirely unsound from the standpoint of economics, says Thomas Adams, consultant of the Russell Sage Foundation, after studying slum clearance and housing projects during the last three years in England.

Whatever the merit of slum clearance may be from a social reform standpoint, it remains a cause for concern over the eventual economic outcome. Failure of clearance schemes in America and England is becoming increasingly plain, it is held, and in England where people became suddenly "slum clearance conscious" they "rushed into the task of slum clearance without having any idea where they were going," according to Mr. Adams.

An expert in planned housing, and adviser for the New York Regional Plan, Mr. Adams is emphatic in his condemnation of slum clearance on economic grounds.

Sentimental Grounds

"The fact is that nobody yet knows the answer to the slum problem" he declares. "We are merely working with it on sentimental grounds. With the answer yet to be found—I don't know what it is, I don't think anyone knows what it is—our approach is wrong, for it is certainly not sound from an economic point of view.

"The profit and economic forces which are in opposition to what we are now doing may require us to go on for thirty or forty years with the slum situation very much as it is today."

Mr. Adams advocates establishment of the principle that any habitable structure has a fixed life span ending in complete obsolescence. Once that period is fixed, he says, nothing should be permitted to tinker with it, and the life of the building should not be extended indefinitely merely because the owner could make money out of it.

Courts to Rule on Life Span

Courts should, then, have power to rule it out of existence in the same manner that they could rule a vehicle off the highway when it becomes too old for safe transportation. Regard for building owners' rights is a factor that can be included in such an arrangement, it is held, with a view to ensuring a fair return on the investment during the life span of the structure.

Mr. Adams endorses the principle of state or district planning, compared with city planning.

Severe Weather Delays Building

Almost unprecedented cold weather is blamed for a decline in building construction in Canada during February.

Contracts awarded totalled $8.2 millions against $13.6 millions in January and $10.5 millions in February, 1935, according to MacLean Building Reports Ltd. Not only was actual construction delayed by weather conditions, but private contracts were also postponed in many instances, it is believed.

Contracts awarded for the first two months of 1936 total $21.8 millions or a gain over the $20.8 millions reported for the same period of 1935, and $12.3 millions in the 1934 period. More important perhaps, contemplated work for which contracts have not yet been awarded is estimated at $37.5 millions for the January and February period this year.

Quebec Leads Dominion

Quebec leads the Dominion in February awards, with $3.6 millions, with Ontario in second place at $3.3 millions. All other provinces reported awards under $1 million total.

Largest awards of the month were a power development and mill at Comeau Bay, Quebec, at $2 millions and portion of the Copper Cliff smelter addition, at $2 millions.

New Hospital Building Plans for Vancouver

Vancouver. — Preliminary discussion of plans for new hospital buildings costing in the neighborhood of $1.5 millions, took place at a meeting of the board of the Vancouver General Hospital. Dr. William H. Walsh of Chicago addressed the members. The Chicago expert recently completed a survey of the situation here.

It is proposed to erect the new buildings west of the main building. The whole plan is in the preliminary stage and further conferences will be held.

D. A. R. McCannel Named Head of Sask. Engineers

D. A. R. McCannel, Regina's city engineer, is the new president of the Association of Professional Engineers of Saskatchewan.

Other officers elected at the recent meeting of the association were W. E. Lovell, Saskatoon, vice-president; Prof. I. M. Fraser, Saskatoon, P. C. Perry and Stewart Young, Regina, named members of the executive.

Babson Building Survey Reveals Canadian Gain

Building in Canada rose 26 per cent in January over the corresponding month a year ago, and five per cent over December, according to a Babson survey of building in the Dominion. Babson predicts a decided revival in building this spring, with increased demand for lumber, and increased employment.

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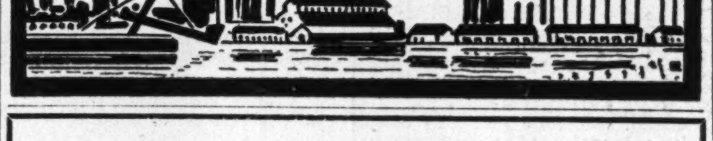

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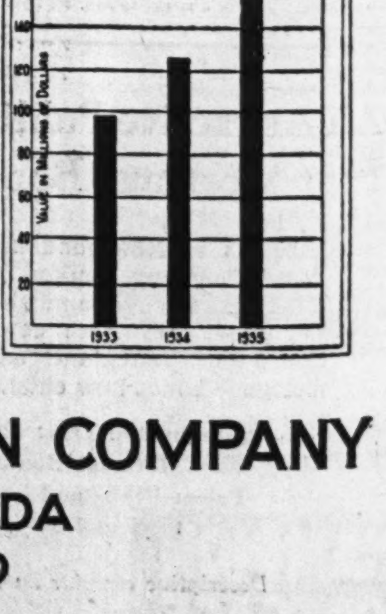

● This chart shows the steady increase in the volume of Canadian construction during the past three years.

As business improves, construction costs rise.

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Great Lakes Power

I have been considering purchase of some preferred stock in Great Lakes Power Co. Is the outlook good for this investment?

The outlook for the seven per cent preferred stock of Great Lakes Power Company has improved materially as a result of increased sales of power to mining companies in the Michipicoten district, and to the Algoma Steel Corp. at Sault Ste. Marie. The preferred dividend was covered more than twice over in 1935, and the small amount of accumulated arrears of dividends has been paid off.

The company is spending $1 million for a new power plant on the Montreal River, and it may eventually do some financing in the future to take care of such expenditures. This has not developed yet. There is a possibility that the present bonds and preferred shares will be redeemed some day for refinancing at lower rates.

Town of Riverside

As a bondholder of Riverside, Ont., I would appreciate the latest available information on the town's finances.

There have been no recent developments of major importance in connection with bonds of Riverside. Late in 1934, Thomas Bradshaw, authority on municipal finance, recommended to the Ontario government that the bonds of the town be refinanced at three per cent and that 50 per cent be written off principal. This is an indication of the bad position of the town's finances. The current position of the town has improved in the past year, since no interest is being paid, and some cash balances have been built up. It is probable that some substantial reduction in the principal amount of the bonds will be proposed.

Federal Grain

I would like a brief report on the financial position of Federal Grain Co. What are the prospects for improvement?

Federal Grain Co. has come through the depression in a better position than many elevator firms. While it has suffered a severe drop in earnings, it has shown ability to earn its bond interest. In the year ended July 31, 1935, bond interest was earned after providing depreciation of $439,000. After payment of bond interest, there was a surplus of $29,000. Sinking funds on the bonds have been maintained, and the original issue of $4,250,000 has been reduced to $3,654,000. Working capital has been steadily increased, amounting to over $1 million at July 31, 1935.

With an active grain marketing policy in prospect for 1936, the company's earnings may show an increase. If the present large carryover of Canadian wheat was marketed and if the annual western wheat crop was sold promptly each year, the company might regain its former substantial earnings.

International Power

I am considering purchasing some of the 6 per cent second debentures of International Power Co. and would like to know from you if the company's earnings are sufficient to cover interest requirements.

The 6 per cent secured debentures are the senior ranking obligation of International Power Co. International Power, like Associated Telephone, has had its earnings affected by fluctuations in foreign exchange. All of the companies controlled by this enterprise operate in countries outside of Canada. Consequently the conversion of foreign exchange into Canadian funds has entailed substantial losses in recent years. This situation is considerably better now than it was two or three years ago and the reports of the company indicate that interest is being covered by a good margin.

Toronto General Trusts

It seems to me, granting a revival of mortgage lending and a moderate rise in interest rates during the next five years, that earnings of Toronto General Trusts Corp. might easily approach their former level. What do you think are the prospects of this?

A revival of mortgage lending and a moderate raise in interest rates over the next five years would probably be reflected in substantially higher earnings for Toronto General Trusts Corp.

There appears to be no immediate prospect of higher interest rates. The large excess of funds now in the hands of financial institutions will probably tend to restrict any large increase, but as business becomes more normal and commercial and mortgage borrowings increase, interest rates should show some advance. As conditions improve, particularly in Western Canada, the company stands to gain considerably. Earnings have been shown well above the $4 dividend.

W. E. & L. S. Bonds

What are the prospects of interest payments on bonds of Windsor, Essex and Lake Shore Railway? Do you not think the present market value low?

There is no early prospect of an interest payment on W. E. & L. S. bonds. They are secured by deposit of debentures of the various Windsor municipalities with the Guaranty Trust Co. of Canada, Windsor. What eventual value there will be to W. E. and L. S. bonds depends largely upon what kind of debt settlement is made for the four municipalities that have been merged into greater Windsor.

W. E. and L. S. bonds are selling considerably below the actual market value of the municipal securities held for W. E. and L. S. bondholders. On this basis, therefore, there may be some reason for supposing that either the railway bonds are too low or the municipals too high.

There is some prospect that interest payments will be forthcoming on the W. E. and L. S. bonds, eventually, due to interest payments by the municipalities, but impairment of some sort is inevitable.

United Grain Growers

I hold some United Grain Growers bonds. What do you think of these as an investment? Have earnings been sufficient to cover bond interest?

Despite the severe drop in earnings of grain companies during the depression years, United Grain Growers has been able to cover interest and sinking fund payment on its bonds. Not only has bond interest been earned, but the company has been able to maintain dividends on its common stock. With the return of normal conditions in the grain trade, earnings of the company should be susceptible to improvement.

Contract Discounts

We have been approached to purchase six per cent preferred stock of Contract Discounts Ltd. We understand the company is earning its preferred dividends. Will you kindly let us have a report on this company?

Contract Discounts Ltd. is the official finance organization in Canada for Maytag Washing Machines. The company is engaged in the financing of time-payment purchases of electrical appliances handled by Maytag dealers. The liens against washing machines are guaranteed by both the dealer and the Maytag Washing Machine Co.

The company has an authorized capital of $100,000 six per cent cumulative preferred stock, par value $100, and 5,000 shares of no par value common stock. Common shares are being offered as a bonus with the preferred.

The company has been in operation since November, 1934. We are not in the position, however, to give a detailed analysis of the company's position since a financial statement has not been issued. We are informed operations to date have been successful. Preferred dividends were paid out of earnings on June 30, 1935, and January 6, 1936. Net earnings, we are informed, are currently running at about twice preferred dividend requirements. At the present time, the company is liquid, its assets consisting of cash in the bank or contracts maturing in the next 10 to 12 months.

With its activities centred around the Maytag dealer organization, the extent of its business is limited. Earnings, however, should improve as greater volume of contracts become available.

T. G. Bright & Co.

I hold both common and preferred shares of T. G. Bright & Co. The common was purchased at $5 a share and the preferred at $100 a share. Should I retain both?

T. G. Bright & Co. controls about half the wholesale native wine business in Canada. Sales of native wine in Ontario have been affected adversely by freer sale of beer, and reduced taxes on spirits. The company's best hope of increasing its business is to get reduced taxation, or reduced prices in Ontario Liquor Control stores.

The last report shows earnings of $17.88 a share on the six per cent preference stock and $1.05 on the common. The common stock yields less than four per cent at present market prices, while on the price of about $80 a share, the yield on the preferred is about 7½ per cent. Since the preferred has first call on earnings, it is the more stable investment medium. Yet, you have your profit on the common, and a loss on the preferred at present values.

Without opinionating, we would say that if the common shares are reasonably priced at present levels, the preferred is the more attractive investment since it is at a substantial discount yet produces far more income than the common.

Abitibi

Can you tell me why the bonds of Abitibi Power and Paper Co. have recently risen in value?

Abitibi bonds have come in for considerable speculative interest of late, owing to various rumors, principally that the company would shortly carry out a reorganization plan to take it out of receivership. At the same time the market interest in all newsprint securities has been much wider, with the result that there has been a strong market for this type of bond. The newsprint situation has improved, and while earnings, after depreciation, are short of bond interest, which, of course, is not being paid, the outlook is definitely better than it has been for some time past.

Union Gas Co.

What do you think of Union Gas Co. 4½ per cent bonds as an investment?

By the refunding scheme, under which the 4½ bonds of Union Gas Co. were issued, the company has improved its position considerably. The company has also refinanced $2.5 millions of bonds of a subsidiary. It is expected the company will have no difficulty in earning interest and sinking fund payment on its bonds. Operations improved during 1935, and the company's earnings statement for the nine months ended Dec. 31, 1935, indicated bond interest would be earned by a comfortable margin.

Milton Brick Ltd.

Can you give me any information on Milton Brick Ltd.? Do you think the company will ever resume payment of interest and principal?

Milton Brick Ltd. has been in receivership since November, 1931. Late in 1935 the company's assets were put up for sale by the National Trust Co., receiver, manager and trustee for the bondholders. To date no satisfactory purchase offer has been received. Information as to whether reorganization of the company is in process is not available. No earnings statement has been published by the receiver. Unless the company is reorganized or its assets sold there is no immediate prospect of a payment to bondholders.

Agnew-Surpass

What do you think are the prospects of a substantial increase in earnings of Agnew-Surpass Shoe Stores Ltd.?

Agnew-Surpass Shoe Stores Ltd., is under capable direction, as is shown by maintenance of the preferred dividend throughout the depression, and by prompt recovery of earnings as business has improved. Any further improvement that may develop is likely to be of a gradual nature.

Dominion Engineering

What are the prospects for Dominion Engineering? Will the company pay a dividend on its common stock this year?

Dominion Engineering has three principal sources of orders: waterpower, pulp and paper and mining industries. All three industries have shown increasing activity of late, and it is expected Dominion Engineering will secure a larger volume of business. While new capital work in prospect is not great, there is a good deal of replacement business available, and the chances are earnings of the company will tend to increase. There is no immediate expectation of dividends on the common stock, but the company's financial position is good so that, as soon as earnings recover, dividends are possible.

C. P. R. Bonds

What is the present price of C. P. R. four per cent debentures? How are they regarded as an investment?

Canadian Pacific Railway Co. four per cent debentures, due 1949, are highly regarded, because the issue is convertible into common stock up to 1941, $100 of debentures for four shares of stock. Also, the security is $125 of the C. P. R.'s senior debenture stock for each $100 of convertible debentures. The conversion feature gives the holder some opportunity of sharing in any future prosperity. The issue is not callable. The present price is about $105 per $100 of debentures. The convertible 3½ per cent debentures have perhaps a greater attraction because they carry the same conversion privilege but for a longer term.

Robinson Cons. Cone

I would appreciate a report on the financial position of Robinson Consolidated Cone Co.

Robinson Consolidated Cone Co., Hamilton, manufactures ice cream cones and sandwich wafers. It also makes soda straws, cups and cartons. The statement for the year ended Sept. 30, 1935, showed net profit of $19,272 on 49,997 no par value common shares, which was short of the dividend of $1 a share. This was the first annual statement issued since 1928. Earned surplus was only $6,409. In addition, there was a distributable surplus of $131,270. Fixed assets are carried at $240,350, net, after depreciation reserve of $147,961 is deducted. While recent dividends have not been fully earned the company enjoys a strong liquid position, working capital amounting to $317,000.

Banks' Bonds

In explaining on this page last week why banks hold large quantities of short term securities the fact was not pointed out that the passage of time has resulted in what were formerly classed as long-term bonds becoming short-term issues.

In December, 1935, the chartered banks showed an increase of some $80 millions in holdings of bonds maturing in less than two years. There was a corresponding decrease in bonds having over two years to run.

The major reason for this was that the issue of $236.3 millions of tax free Dominion 5½ per cent bonds, due Dec. 1, 1937, became classed as short-term bonds on Dec. 1, 1935. The transfer of these holdings from the long to the short term category automatically accounts for the big change in long and short term holdings. And it is revealed that banks hold some $80 or $90 millions of the 5½ per cent bonds due 1937.

The Woman Investor

Learning Scepticism

A BRIEF story in the investment experience of one woman share-buyer illustrates the comparatively simple mental process by which investment shrewdness can be developed.

In 1932 when International Nickel went below $5 a share, our feminine friend went to a stock broker and suggested that she wanted to buy 100 shares. He urged her not to, because, he said, Nickel had had its day as a market favorite. Instead, he suggested purchase of shares in a mining property next to one of the larger Ontario gold mines.

She did not get the Nickel shares, which her judgment had told her were cheap. She turned the mining idea over in her mind and decided not to buy. Her reasoning was that the big company next door had been burrowing underground for years and if the neighboring property were really worth much the big firm would have made an offer for it years ago. She was right in her judgment of this proposition as well as on Nickel.

The lesson she learned was to listen to what her broker had to say but not to be swayed entirely by his opinion. Her own judgment, she has found since, has often been better than his.

Security Analysis

Kelvinator of Canada

Refrigerator Firm Recovers Earnings and Improves Finances in Past Two Years

Kelvinator of Canada Ltd. manufactures Kelvinator and Leonard electric refrigerators and refrigerator equipment at London, Ont., for Canadian distribution, and also does some export business to other countries. Its subsidiary, Kelvinator Ltd., manufactures in London, England, for distribution in the British Isles.

The capital consists of $496,000 of seven per cent preferred stock, on which dividends are guaranteed by Kelvinator Corp., Detroit, which controls the Canadian company. There are 100,000 common shares, of which 75,540 are owned by the Detroit company.

The company's last balance sheet shows current assets of $695,000 and current liabilities of $137,000, giving a working capital of $558,000, the largest on record.

Net profits have fluctuated greatly. In the year ended Sept. 30, 1931, net profits were $130,000. Preferred dividends were $46,340, leaving $83,729 applicable to the common, equivalent to 84 cents a share. There were deficits of $58,000 in 1932 and $19,000 in 1933. In 1934, net profits were $116,000, and after preferred dividends there was $81,205 applicable to the common, the equivalent of 81 cents a share. In 1935, net profits were nearly $107,000, and after preferred dividends $72,227 was earned on the common stock, or about 72 cents a share.

In the years when deficits were incurred, the Canadian company had to depend upon the Detroit firm to pay the preferred dividend. Since that time, however, the Canadian company has paid off the dividend liability to the Detroit company, and has paid its preferred dividend itself. No dividends have been paid on the common.

The company is planning increased production, and enjoys some diversity of sales, since it operates in the British, Canadian and export trade. The amount of preferred stock was originally $800,000, and the reduction is beneficial to the common shares. However, after deducting the value of patents, goodwill, etc., the book value of the common shares is very small, the market value depending chiefly upon earnings.

The company is conservatively financed and is credited with good management. The outlook for maintenance of earnings depends largely upon satisfactory sales this year. G. W. Mason, president, implied an expectation of improvement in stating in the annual report that the company's facilities "are adequate for an expanding volume of business for the ensuing year."

Rackets

A $500,000 Swindle

A GIGANTIC insurance racket has been exposed with the indictment of 31 persons, including five physicians, in New York.

The swindle involves about $500,000 in insurance claims or potential claims, and insurance companies numbered among the largest in the U. S. were among the intended victims.

The scheme was operated by a ring, members of which "contacted" persons whose death seemed imminent, either through illness or old age. One member of the ring, it was charged, was a druggist who obtained "prospects" through details of prescriptions he filled.

A phase of the racket was to insure these persons under policies which did not require physical examinations, and in other instances it was claimed by authorities that insurable persons were substituted for the purposes of medical examinations.

Conniving relatives, aided by physicians who swore to fraudulent information as to the cause of death, or to incorrect ages of the deceased, collected the insurance, and "split" with the ring. In most cases, it is charged, the aged or sick persons had been insured without their knowledge.

Authorities charged that one woman, 85 years of age, was insured for $80,000 after her age had been represented as 49 to the insurance company.

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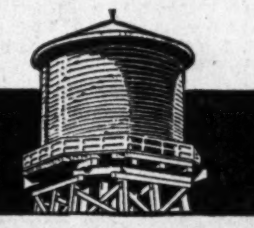

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5% Cumulative, Redeemable, Convertible, Preference Stock of the par value of $100 per share
Convertible at holder's option into no par value common shares of the Company
up to March 1, 1938 at 5 of common for 1 of preference; thereafter
up to March 1, 1940 at 4 of common for 1 of preference; thereafter
up to March 1, 1942 at 3 of common for 1 of preference
PRICE: 100 and accrued dividend.

These preferred shares, when issued, will, in the opinion of Counsel, be legal investments for the insurance companies registered under the Canadian and British Insurance Companies Act, 1932 (Dominion).

All legal matters in connection with the creation and issue of the said new shares and the redemption of the outstanding old preference shares are subject to the approval of Messrs. Long & Daly on our behalf and of Mr. Charles W. Kerr, K.C., on behalf of the Company.

We reserve the right to allot to subscribers all or any of the shares subscribed for.

A copy of the company's prospectus as filed with the Secretary of State of Canada is available upon request.

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Fire and Casualty Insurance

Joint Committee Approves Comprehensive Home Policy

Standard Form to Be Considered By Superintendents —Sub-committees Set Up and Agents' Representatives Named

Approval "in principle" of the issuance of a comprehensive form of insurance coverage on dwellings was given last week at a meeting of the joint committee on Underwriting Powers of Fire, Marine and Casualty Insurers, a body set up late last fall to define and interpret insurance coverages.

Approval, however, is on the understanding that no such policies will be issued until a standard form has been passed by the superintendents of insurance. The committee will advise all lines of insurers in respect to the classification of this policy after conferring with the superintendents.

Sub-committees Named

In order to deal with immediate requests for rulings, sub-committees have been formed in Montreal and Toronto. Personnel is expected to be announced very shortly. Decisions of these committees, however, will be subject to ratification by the full joint committee.

A delegation from the Canadian Federation of Insurance Agents appeared with a request that the 30-day limit on consignment stocks be deleted. While this request was not complied with, the committee definitely went on record that the restriction was flexible in application. It is understood it will deal with the question of raising the limitation when considering any individual case which may come before it.

The Canadian Federation of Insurance Agents also named representatives throughout the country with whom the committee could confer in regard to public requirements and general information. These representatives are as follows: Ontario, W. J. Chapman, Toronto Insurance Conference, Toronto, and Rae Blight, Ontario Fire & Casualty Agents Association, Toronto; Quebec, D. A. Hanson and Jean Gagnon, both of Montreal, representing the Insurance Brokers Association of the Province of Quebec; Manitoba, Saskatchewan and Alberta, W. J. F. Reith, Federation of Western Canada Insurance Agents, Winnipeg; British Columbia mainland, A. H. Garvin, Vancouver Insurance Agents Association, Vancouver; and Vancouver Island, F. W. Waller, Victoria.

135 Companies Comply

Indicative of the interest being taken in the new committee, all members, with one exception, were on hand for the meeting. Representatives from coast to coast were in attendance. The chairman reported that to date 135 companies have signed the articles of agreement, signifying willingness to comply with the rulings. It is anticipated that eventually companies writing 90 per cent of the entire Canadian business will be included.

A large number of appeals were given consideration. One of the rulings arising from these was that jewellers block policies may now cover tools and equipment up to, but not exceeding, $1,000.

Economical Makes Plea Insure With Canadians

Bemoaning the fact that fire insurance written by Canadian companies is so much less than that written in Canada by British and American companies, the Economical Mutual Fire Insurance Co. "urges insurance agents and all those who control the placing of fire insurance to patronize Canadian companies as far as possible."

An article accompanying the company's annual financial statement points out that each year about $3 millions is paid in premiums to Canadian fire insurance companies, compared with $47 millions to foreign institutions. It admits that these foreign companies maintain offices in Canada, employ many Canadians and pay taxes to the various governments, but claims that profits must ultimately find their way into the pockets of foreign shareholders.

"When ninety per cent of a great business is transacted by companies with head offices outside of Canada," it is stated, "such a situation can fairly be described as a national mistake but one which Canadians can still correct."

New Licenses

The following companies have been licensed in the province of Quebec:

Bankers & Shippers Insurance Co.
Switzerland General Insurance Co.
Svea Fire & Life Insurance Co.

The following companies have been licensed to write the classes of insurance named in the province of Ontario for the term ending June 30, 1936:

Employers Reinsurance Corp.—Automobile, accident, employers' liability, guarantee, public liability and theft, limited to reinsurance contracts exclusively.

Wapiti Insurance Co.—Fire, automobile, sprinkler leakage and weather.

Switzerland General Insurance Co.—Fire.

Insurance Reports

Canadian Indemnity

Net premiums written by the Canadian Indemnity Co. in 1935 amounted to $732,081 as against $676,381 in the previous year, an increase of more than eight per cent. At the same time, loss experience was more favorable, the ratio of losses to premiums earned falling to 41.1 per cent from 46.3 per cent in 1934. Surplus was increased by $35,186 to $295,163.

Dividends of six per cent were paid, compared with five per cent in 1934.

Total assets are almost $100,000 higher at $1,444,851, the increase being due to a gain of $132,000 in the value of bonds held. Balances due by reinsuring companies dropped sharply during the year from $23,832 to $372. Unearned premium reserve advanced by $43,000 to $418,777, and other reserves are also somewhat higher than in 1934.

Comparative figures are as follows:

	1935 $	1934 $
Net prems. written	732,081	676,381
Loss ratio (earned)	41.1%	46.3%
Expense ratio*	48.7%	47.9%
Total assets	1,444,851	1,348,866
Free surplus	295,163	259,977

*Excluding government taxes.

Canadian General

Net profit of $37,125 and a net underwriting loss of $24,291 are reported by the Canadian General Insurance Co. for the year ended Dec. 31, 1935.

The volume of premiums written was higher than in the previous year in all lines of insurance handled by the company. Losses, however, were also more substantial, the net result being more favorable loss ratios on fire and casualty business, and a sharply higher loss ratio on automobile business. Expense and commission ratios were also slightly above the 1934 figures.

Total assets have risen by about $79,000. Chief changes in assets include increases of $27,000 in cash and $37,000 in stocks. Among liabilities, unearned premium reserve is up $42,000 at $361,762; reserve for unpaid claims $10,000, and surplus $12,000 at $317,905.

	1935 $	1934 $
Fire:		
Net prems. written	131,520	128,643
Net prems. earned	127,228	126,504
Net losses inc.	48,660	51,148
Earned loss ratio	38.25%	40.43%
Automobile:		
Net prems. written	380,957	330,956
Net prems. earned	364,620	329,506
Net losses inc.	237,834	187,847
Earned loss ratio	65.23%	57.01%
Casualty:		
Net prems. written	278,783	239,194
Net prems. earned	257,222	235,505
Net losses inc.	61,574	80,380
Earned loss ratio	23.94%	34.13%
Total Business:		
Net prems. written	791,260	698,795
Net prems. earned	749,070	691,514
Net losses inc.	348,068	319,376
Earned loss ratio	46.47%	46.18%
Expense ratio	31.04%	30.45%
Commission ratio	22.70%	22.52%
Assets	1,414,618	1,335,314
Surplus	317,905	305,780
Net under profit	*24,291	1,857
Net profit	37,125	67,107

*Loss.

Toronto General

The 1935 financial statement of the Toronto General Insurance Co. shows a decrease in the volume of premiums written for fire and casualty risks, and an increase in automobile business. Loss ratio was less favorable, except in fire insurance.

Comparison with the preceding year is difficult, however, as in 1934 the company assumed by way of reinsurance a considerable block of business which was for the most part fully earned in that year and not renewed.

The company suffered an underwriting loss for the year of $16,153, but other income, chiefly interest on investments, was sufficient to convert this into net profit carried to surplus of $34,630. This figure is after various provisions for outstanding losses, investments and contingencies. Income from investments at $50,331 represents a return of 5.1 per cent.

Larger changes in the balance sheet include an increase of $74,000 in total assets, mainly in increased holdings of stocks, an increase of $9,000 to $288,873 in unearned premium reserve, and an increase of about $42,000 in provision for unpaid claims. Surplus is carried forward at $389,475, compared with $374,811 in 1934.

	1935 $	1934 $
Fire:		
Net prems. written	146,330	186,164
Net prems. earned	152,170	171,123
Net losses inc.	61,850	71,276
Earned loss ratio	40.64	41.65%
Automobile:		
Net prems. written	297,406	290,913
Net prems. earned	293,946	279,764
Net losses inc.	175,125	165,424
Earned loss ratio	59.56%	59.12%
Casualty:		
Net prems. written	174,451	176,477
Net prems. earned	163,189	172,498
Net claims inc.	55,495	49,396
Earned loss ratio	34.00%	28.64%
Total Business:		
Net prems. written	618,187	653,553
Net prems. earned	609,304	623,385
Net losses inc.	292,470	286,096
Earned loss ratio	48.00%	45.89%
Expense ratio (inc.)	30.65%	26.99%
Comm. ratio	24.00%	23.76%
Assets	1,220,090	1,146,706
Free surplus	389,475	374,811
Net und. profit	*16,153	5,583
Net profit	34,630	51,417

*Loss.

Northwestern Fire

Net premiums of the Northwestern Mutual Fire Association written in Canada in 1935 amounted to $752,260, about $3,500 more than in the previous year. After re-insurance is deducted the total shows a slight reduction at $626,586. Net losses of $214,014 compare with $195,769 in 1934.

Bonds deposited with the receiver-general were valued at $530,219 at the year end, down from $615,410 in the preceding year, but reserve for unearned premiums is slightly higher at $303,931, as against $296,870. The reduction in securities is in some measure offset by an increase in cash from $102,039 to $166,761, so that total assets at $793,536 are only about $24,000 under the 1934 figure. Liabilities, including a $37,844 reserve for losses, total $366,901, leaving surplus at $426,634, compared with $478,823 in the previous year.

Dividends paid to Canadian policyholders since the company has been licensed in Canada amount to $3,181,935. Total premiums written by the company last year in the United States and Canada were $6,076,416.

Moose Jaw Agents' Officers

W. A. Munns has been elected president of the Moose Jaw Insurance Agents' Association. Associated with him on the executive are J. Smith, vice-president, Irwin Sutton, secretary-treasurer, A. W. Mayberry, T. H. Pendlebury, P. Kern, G. Kimball and R. McIntyre.

Insurance Inklings

H. S. GOODERHAM has been elected a director of the Dominion of Canada General Insurance Co.

W. C. LACKEY, special agent of the Fire Underwriters' Investigation & Loan Information Bureau of Canada, has been appointed inspector of the company for the western provinces.

G. R. MACKAY, assistant treasurer, Sun Life of Canada, led a discussion on "How We Analyze Securities" at the annual midwinter meeting of the financial section of the American Life Convention February 17.

* * *

National Security Fire Insurance Co. has discontinued business in British Columbia and has reinsured all unexpired policies with the Camden Fire Insurance Association. The National Security has made application to withdraw the deposit required under the Insurance Act.

Standard Life Assurance Co. has appointed three representatives in Saint John as part of its policy of expansion in the Maritime provinces. They are: DOUGLAS S. K. SKINNER, BOYD S. NEWSOM; H. R. REYNOLDS.

Production of Copper

Canadian copper production during November amounted to 34,539,762 pounds against 35,434,829 in October and 34,280,777 in November, 1934. Blister copper production was 32,527,983 pounds as against 31,722,408. During the eleven months ending November copper production amounted to 382,494,937 pounds or 14.7 per cent over the corresponding production of the previous year.

United States Fidelity & Guaranty Company
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Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

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The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
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WILL GRANT APPEAL ON ROYALTY LEVIES

Spotlight Turned on Performing Rights Society Again

From Our Own Correspondent

OTTAWA.—Legislation to restrict the power of the Canadian Performing Rights Society Ltd., is to be introduced this session. This organization which holds hundreds of thousands of copyrights on musical compositions has been an unending source of controversy in parliament since 1931 when the first legislation affecting it was enacted. The company, which is international in scope, with headquarters in the U. S., is referred to as a combine, as an organization which requires control by special legislation.

It is now proposed by Hon. Fernand Rinfret to enact a law which will grant an appeal from the royalty fees fixed by the company. The appeal will lie to the state department at Ottawa which, once a year, will set up a tribunal to arbitrate these cases and, also, to approve any changes desired by the company in its schedules of fees.

Parties particularly interested are radio stations, orchestral organizations, etc. The company owns its musical copyright on behalf of composers although, as was pointed out in parliament, the basis upon which composers are paid has never been divulged.

Report on Regulations To Be Considered Soon

It is understood that a report of the secretaries of the different insurance rating bodies in Canada is now in the hands of the president of the Canadian Underwriters Association and will probably be considered at an early date.

The report is believed to contain material respecting commissions, non-intercourse, and other important factors confronting the business.

Pacific Coast Fire Enters Eastern States

The Pacific Coast Fire Insurance Co. recently secured a license to operate in New York State and has announced that further development in the eastern states is at present under way. The company is already licensed across the Dominion and in the states of Washington, Oregon and California. Lines of insurance written are fire, automobile, sprinkler leakage, tornado, earthquake and limited explosion.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, pf.	$1.75	Apr. 1	Mar. 16
Acme Glove pf.•	95c	Apr. 1	Mar. 31
Do., arrears	56¼c	Apr. 1	Mar. 31
Bell Telephone	$1.50	Apr. 15	Mar. 23
Brazil T. L. & P., p.	$1.50	Apr. 1	Mar. 16
B. C. Power	40c	Apr. 15	Mar. 31
Bright, T. G.	7½c	Mar. 14	Feb. 29
Do., pref.	$1.50	Mar. 14	Feb. 29
Bk. of N.S.	$3	Apr. 1	Mar. 16
Biltmore Hats, pf.	$1.75	Mar. 14	Feb. 15
Belding-Cort.	$1	Apr. 1	Mar. 14
Do., pref.	$1.75	Apr. 1	Mar. 14
Bank of Montreal	$2	Mar. 2	Jan. 31
Burt, F. N. c.	50c	Apr. 1	Mar. 10
Do. pref.	$1.75	Apr. 1	Mar. 10
Can. Bread, 1st pf.	$1.25	Apr. 1	Mar. 14
Can. Celanese	40c	Mar. 31	Mar. 17
Do., pfd.	$1.75	Mar. 31	Mar. 17
Do., partic.	95c	Mar. 31	Mar. 17
Canada Malting	37½c	Mar. 16	Feb. 29
Can. North Pwr., c.	30c	Apr. 25	Mar. 31
Do., pf.	$1.75	Apr. 15	Mar. 31
Candn. For'n. Invest., c.	40c	Apr. 1	Mar. 14
Do., pf.	$2	Apr. 1	Mar. 14
Cariboo Gold	2½c	Apr. 1	Mar. 7
Cons. Bakeries	20c	Apr. 1	Mar. 16
Canadian Oil, pf.	$2	Apr. 1	Mar. 20
Crown Life, extra	‡25%	Mar. 20	Feb. 12
Can. Indust. A & B	$1	Apr. 30	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Consumers' Gas	$2.50	Apr. 1	Mar. 14
Cosmos Imp.	20c	May 15	....
Can. Perm. Mtge.	$2	Apr. 1	Mar. 14
Can. Westinghouse	50c	Apr. 1	Mar. 20
Can. Wire Box, A	*25c	Apr. 1	Mar. 16
Dominion Glass, c.	$1.25	Apr. 1	Mar. 16
Do., pf.	$1.75	Apr. 1	Mar. 16
Dom. Textile	$1.25	Apr. 1	Mar. 14
Do., pref.	$1.75	Apr. 15	Mar. 31
Dominion Coal, pf.	75c	Apr. 1	Mar. 15
Dominion Bank	$2.50	Apr. 1	Mar. 20
Dome Mines	50c	Apr. 20	Mar. 31
East. Twps. Tel.	18c	Apr. 15	Dec. 31
Electrolux	40c	Mar. 16	Feb. 27
Do., extra	10c	Mar. 16	Feb. 27
East. Steel, pfd.	$1.75	Apr. 1	Mar. 16
Falconbridge N.	7½c	Mar. 28	Mar. 10
Granby Cons.°	$8	Mar. 10	Feb. 27
Ham. Cottons, pf.	50c	Apr. 1	Mar. 16
Huron & Erie Mtge.	$1.25	Apr. 1	Mar. 14
Ham. Un. Theat. pf.	$1	Mar. 31	Feb. 29
Hinde & Dauch	12½c	Apr. 1	Mar. 14
Hollinger Gold	5c	Mar. 24	Mar. 9
Do., extra	5c	Mar. 24	Mar. 9
Imp. Tobacco, pf.	3%	Mar. 31	Mar. 13
Do., ord.	8¾c	Mar. 31	Mar. 13
Do., final	17½c	Mar. 31	Mar. 31
Internat. Coal & C.	1c	Mar. 2	Feb. 24
Int. Power, 1st pf.	$1.50	Apr. 1	Mar. 14
Inter. Nickel, pref.	$1.75	May 1	Apr. 1
Int. Nickel, c.	25c	Mar. 31	Mar. 2
Do., pf.	$1.75	May 1	Apr. 1
Inter. Mining	15c	Mar. 20	Feb. 29
Lake Shore M.	50c	Mar. 16	Mar. 2
Do., extra	50c	Mar. 16	Mar. 2
Landed Bank	$1.25	Apr. 1	Mar. 14
Louisiana L.	10c	Mar. 16	Mar. 6
Mercury Oils	3c	Apr. 1	Feb. 29
McColl-Fron., c.	20c	Mar. 14	Feb. 15
Montreal Cot. pfd.	$1.75	Mar. 15	Feb. 29
Mitchell, J. S., pfd.	$1.75	Apr. 1	Mar. 16
Monarch Knit., pf.	$1.75	Apr. 1	Mar. 14
Mtl. Loan & Mtge.	50c	Mar. 16	Feb. 29
Mtl. City & Dis. Bk.	$3.00	Apr. 1	Mar. 14
Moore Corp. A, pf.	$1.75	Apr. 1	Mar. 10
Do., B, pf.	$1.75	Apr. 1	Mar. 10
Do., C	25c	Apr. 1	Mar. 10
Nat. Biscuit, com.	40c	Apr. 15	Mar. 13
Neon P. of W. Can. pf.	$1.50	May 1	Apr. 15
National Brew., c.	50c	Apr. 1	Mar. 16
Do., pf.	44c	Apr. 1	Mar. 16
Ont. Loan & Deb.	$1.50	Apr. 1	Mar. 16
Ont. Silknit	$1.75	Mar. 16	Feb. 29
Paton Mfg.	$1.75	Mar. 15	Feb. 29
Penmans	75c	May 15	May 5
Do., pref.	$1.50	May 1	Apr. 21
Pickle Crow†	5c	Mar. 31	Mar. 15
Power Corp., pf.	$1.50	Apr. 15	Mar. 31
Do., 2 pf.	75c	Apr. 15	Mar. 31
Premier Mines	3c	Apr. 15	Mar. 12
Do., extra	1c	Apr. 15	Mar. 12
Page Hersey	75c	Apr. 1	Mar. 14
Pioneer Gold	20c	Apr. 1	Mar. 2
Pressed Metals	25c	Apr. 1	Mar. 16
Do., extra	12½c	Apr. 1	Mar. 16
Reno Gold	3c	Apr. 1	Mar. 10
Second Std. R'lties	1c	Apr. 1	Mar. 16
Sher.-Williams, p.	▴$1.75	Apr. 1	Mar. 15
Sylvanite	5c	Mar. 31	Feb. 22
Reliance Grain, pf.	$1.62½	Mar. 14	Feb. 29
R. S. Mills, A	50c	Apr. 1	Mar. 14
Siscoe Gold	5c	Mar. 14	Feb. 29
Do., extra	1c	Mar. 14	Feb. 29
South. Can. Pwr.	$1.50	Apr. 15	Mar. 20
S. Am. Gold & Pl.	10c	Mar. 30	Mar. 18
Third Can. Gen. Inv. Tr.	8c	Mar. 16	Feb. 29
Tor. Gen. Ins.	25c	Mar. 15	Feb. 29
Teck-Hughes	10c	Apr. 1	Mar. 10
Walker-Good.	50c	Mar. 16	Feb. 28
Do., pref.	25c	Mar. 16	Feb. 28
Westminster Paper	20c	May 1	
W. Hargraves	10c	Apr. 1	Mar. 10
Do., extra	5c	Apr. 1	Mar. 10

†Initial.
▴For quarter ending May 31, 1934.
•Includes adjustment of 13¾c. for 3½ months ended Mar. 31, 1936; previous payments made Mar., June, Sept. and Dec. 15.
‡On paid-up value.
*On arrears. °Capital distribution.

DIVIDEND NOTICES

POWER CORPORATION OF CANADA LIMITED

Preferred Dividend No. 43

NOTICE is hereby given that a dividend of 1½% (being at the rate of 6% per annum) has been declared on the 6% Cumulative Preferred Stock of Power Corporation of Canada Limited, for the quarter ending March 31st, 1936, payable April 15th, 1936, to shareholders of record at the close of business, March 31st, 1936.

By order of the Board,
L. C. HASKELL, Secretary.
Montreal, February 25th, 1936.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Situation Wanted

CHARTERED ACCOUNTANT at present employed; after 4 years in the bank and 7½ years with two leading firms of chartered accountants, desires to make connection where ability and initiative would be recognized in a tangible way; a hard worker; always a leader in studies; any organization with which this man decides to cast his lot will be well repaid by a lifetime of loyal and intelligent service. Will go anywhere for the right opportunity. Box 278, The Financial Post, Toronto.

DIVIDEND NOTICES

Hollinger Consolidated Gold Mines Limited

Dividend Number 277
Extra Dividend Number 27

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 24th day of March, 1936, to shareholders of record at the close of business on the 9th day of March, 1936.

Dated the 2nd day of March, 1936.

I. McIVOR,
Assistant-Treasurer.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 30th day of April, 1936.

On the Preferred Stock, one and one-half per cent. (1½%), payable on the 1st day of May to Shareholders of record of the 21st day of April, 1936.

On the Common Stock, Seventy-five Cents (75c.) per share, payable on the 15th day of May to Shareholders of record of the 5th day of May, 1936.

By Order of the Board,
Montreal, March 2, 1936. C. B. ROBINSON, Secretary-Treasurer.

The Bell Telephone Company of Canada

Notice of Dividend

A dividend of one and one-half per cent (1.50%) has been declared payable on the 15th day of April, 1936, to shareholders of record at the close of business on the 23rd of March, 1936.

F. G. WEBBER,
Secretary.

Montreal, February 26th, 1936.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the Ninety-second quarterly dividend of one and three quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum for the quarter ending May 31st, 1934, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of March, 1936, and cheques will be mailed April 1st, 1936.

Books not closed.

By order of the Board.

P. W. HOLLINGWORTH,
Secretary-Treasurer.
Montreal, Que., February 6th, 1936.

DIVIDEND NOTICES

The Ontario Loan and Debenture Company

195th DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of 3 per cent for the current quarter ending 31st March, 1936 (being at the rate of 12 per cent per annum), has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 1st April, 1936, to Shareholders of record of the 16th March, 1936.

By Order of the Board.

T. H. MAIN,
Manager.
London, Ontario, 25th February, 1936.

PICKLE CROW GOLD MINES, LIMITED
(No Personal Liability)

NOTICE OF DIVIDEND NO. 1

Notice is hereby given that a dividend of five cents (5c) per share has been declared payable on March 31st 1936 to shareholders of the company of record at the close of business on Monday March 16th 1936.

By Order of the Board,
ROBERT FENNELL, K.C.,
Secretary-Treasurer.
Toronto, Ont., March 2nd, 1936

The Registrar and Transfer Agent of the Company is The Trusts & Guarantee Co. Ltd 302 Bay St., Toronto Ontario to whom all certificates should be forwarded for registration

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 45

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending March 31st, 1936, payable April 15th, 1936, to shareholders of record at the close of business on March 31st, 1936.

By order of the Board.
L. C. HASKELL, Secretary.
Montreal, February 25th, 1936.

Burns & Co. Limited

Notice of Interest Payment

Notice is hereby given that on 1st April, 1936, a payment of interest at the rate of five per cent per annum in lawful money of Canada will be made in respect of the year 1935 on those Five Per Cent First Mortgage Sinking Fund Bonds, Series "A," of Burns & Co. Limited, on which non-cumulative interest throughout the period from 1st January, 1934, to 31st December, 1938, is payable out of net income only.

Cheques for such interest negotiable at par in lawful money of Canada at any Branch of The Royal Bank of Canada in Canada or in London, England, or at the Agency of the said Bank in the City of New York, U.S.A., will be mailed on 1st April, 1936, to the registered holders of such Bonds registered as of such date, at their respective addresses then appearing on the Bond register at the National Trust Company, Limited, 20 King Street East, Toronto 2, Canada. The Dominion Income Tax of 5 per cent will be deducted by the Company from interest payable to registered holders who are non-residents of Canada.

Dated at Calgary, Alberta, this 2nd day of March, 1936.

BURNS & CO. LIMITED.
WILLIAM C. STEMP,
Acting Treasurer.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 31st March, 1936, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Wednesday, the 1st day of April, 1936, to shareholders of record of the 20th March, 1936.

By Order of the Board,
DUDLEY DAWSON,
General Manager.
Toronto, 12th February, 1936.

CANADA PERMANENT MORTGAGE CORPORATION

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT for the current quarter, being at the rate of EIGHT PER CENT PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable WEDNESDAY, THE FIRST DAY OF APRIL next, to Shareholders of record at the close of business on the Fourteenth day of March, 1936.

By order of the Board.
WALTER F. WATKINS,
Secretary.

Imperial Tobacco Company of Canada, Limited

Notice to Shareholders

NOTICE IS HEREBY GIVEN that the Ordinary General Meeting of the Shareholders of Imperial Tobacco Company of Canada, Limited, will be held at the Company's offices, No. 3810 St. Antoine Street, Montreal, on Tuesday, the 24th day of March, 1936, at eleven o'clock in the forenoon.

The shareholders are given further notice that the said General Meeting will be Special for the purpose of considering and, if thought fit, confirming certain amendments to the Company's by-laws made by the Directors on the 30th day of August, 1935, and on the 29th day of November, 1935, respectively, to the following effect:

1. To repeal and re-enact By-law No. 1[illegible] to provide that dividends payable in London, England, shall be paid in sterling at the rate of exchange prevailing on the dates such dividends become payable.
2. To enact By-law No. 83A to designate the Executive Officers of the Company.

The Register of Transfers will be closed from 14th March to 24th March, 1936, both days inclusive.

Dated at Montreal, this 28th day of February, 1936.

By Order of the Board,
F. P. L. LANE,
Secretary.

Imperial Tobacco Company of Canada, Limited

DIVIDEND

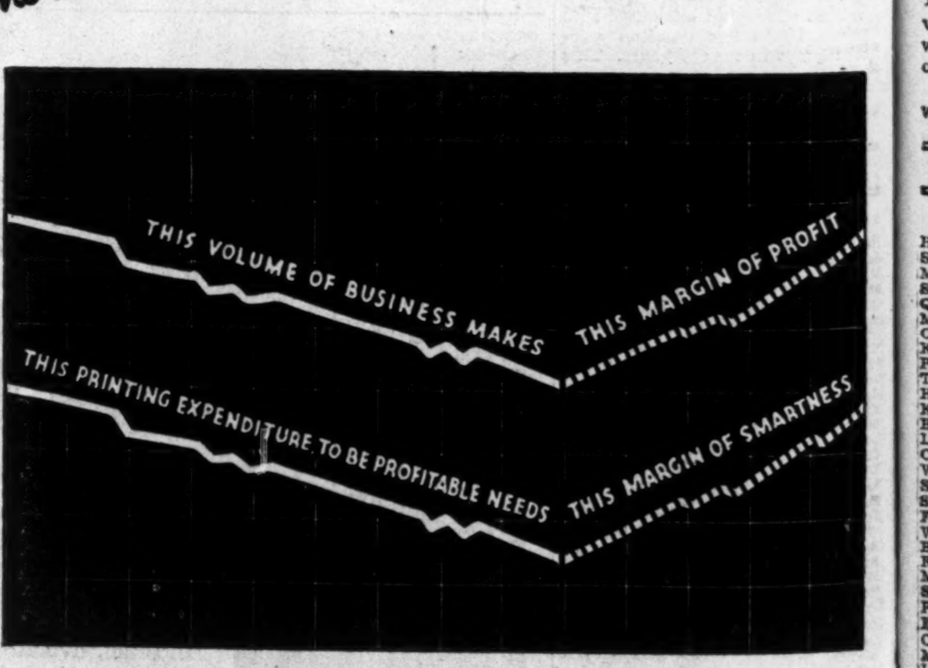
NOTICE IS HEREBY GIVEN THAT A Final Dividend (No. 116) of Three and One-half per cent. (3½%) on the paid-up Ordinary Shares of the Company for the year ended 31st December, 1935, has been declared payable on Tuesday, the 31st day of March, 1936, to Shareholders of record at the close of business on Friday, the 13th day of March, 1936.

An Interim Dividend (No. 117) of One and Three-quarters per cent. (1¾%) on the paid-up Ordinary Shares of the Company has been declared payable on Tuesday, the 31st day of March, 1936, to Shareholders of record at the close of business on Friday, the 13th day of March, 1936.

A Semi-Annual Dividend (No. 48) of Three per cent. (3%) on the paid-up Preference Shares of the Company has been declared payable on Tuesday, the 31st day of March, 1936, to Shareholders of record at the close of business on Friday, the 13th day of March, 1936.

By Order of the Board,
F. P. L. LANE,
Secretary.
Montreal, P.Q.
28th February, 1936.

The Margin of SMARTNESS is the Margin of PROFIT



The large percentage of any business is not profitable—up to a certain point, income merely pays overhead. Beyond that point *profits are made.* How great that profit margin may be depends on the careful planning and the efficient execution of sound business principles.

Printing, too, has a "margin of profit," identified by its "margin of smartness." It determines whether well planned catalogues and finely conceived sales literature become sound selling forces or "just printing." Such effectiveness is seldom bought at a price. Too often finely planned printing is scrimped on the threshold of the "smartness" that means profit.

Three proven steps predetermine the effectiveness of your sales literature—*employ a good printer—use good paper—pay what the job is worth.*

For more than a quarter century Provincial Papers have served as the most popular second step in fine Canadian printing. They are the largest selling Canadian papers for catalogue, book and publishing use. Ask your printer.

PROVINCIAL PAPER LIMITED
TORONTO, CANADA

Provincial Papers are carried in adequate stocks by leading paper merchants throughout Canada.

Bank Chat

Long and Short

BANKS' holdings of securities constantly vary in respect to the totals of short and long term issues. This arises not only from purchases and sales of the debentures, but also from the shortening of the term of securities held.

A striking illustration of the latter was afforded in the December return of the chartered banks to Ottawa. The combined statements disclosed that short term government issues had risen by almost $83 millions during the month, and that the longer maturity issues had declined by more than $72 millions. In the previous months, the tendency had been to expand longer term holdings.

The explanation of the December trend is apparently that in that month the tax free Dominions maturing in 1937 automatically crossed the line from long to short classification. It has been estimated that the banks held between $80 and $90 millions of this issue.

* * *

Loan Policy

SO MUCH has been heard on both sides of the question of bank restriction of credit that some practical evidence is most welcome.

In England several companies have been formed to deal in loans not usually regarded as proper risks for banks. It is said that while these companies have been able to employ their funds profitably, their experience has verified the justness and necessity of the bank's restrictions. Evidently they are finding that practically all of their advances are to borrowers of a class which could and would be accommodated by the banks.

As a result, bankers may be pardoned for sitting back and deriving some satisfaction from the fact that public criticism, to which they had become more or less hardened, is now being levelled against institutions which were set up largely to correct their supposed failings.

* * *

Services or Funds

IS THERE a danger that Canadian trust companies are stepping outside their field? This was the opinion expressed by an officer of one of the larger trusts to the Financial Post recently. He pointed out that in unduly emphasizing the guaranteed investment end of the business, trust companies have tended to infringe on the functions of loan companies. The function of a trust company is to sell services; that of a loan company is to sell funds. The two purposes should be clearly distinguished.

As long as a company can administer its guaranteed investment department in such a manner that the estates department does not suffer, all well and good. But, it is claimed, there is a point past which there may be a definite conflict of interest.

* * *

Mistaken Identity

SOON after the Imperial Bank had moved to the new head office building, the atmosphere in one department was found to be very stuffy and overheated. Apparently the air conditioning apparatus wasn't functioning.

Finally one of the girls went to the phone, asked for Mr. Ross, the building superintendent, and proceeded to make rather heated protest. In the course of the conversation she was heard to remark that she was "fed up" and that "while there are lots of things around here we have to stand for, this isn't one of them."

A voice at the other end of the line broke in to ask quietly: "Whom was it you wished to speak to?" On answering "Mr. Ross," the young lady was asked to hold the phone. The next query was in a feminine voice: "Do you know whom you were speaking to?" And the answer, of course, was "Mr. Ross."

Then came the revelation: "That was Mr. Rolph, the president."

Monthly Bank Clearings

	February 1936	February 1935
Halifax	$ 8,385,368	$ 7,803,687
Saint John	7,053,044	5,634,888
Moncton	2,646,010	2,480,281
Sherbrooke	1,986,456	1,979,806
Quebec	15,903,350	13,067,928
Montreal	412,184,827	307,976,266
Ottawa	78,564,718	16,374,276
Kingston	2,008,688	1,735,806
Peterborough	2,287,111	2,031,748
Toronto	565,636,199	414,964,180
Hamilton	17,877,440	13,604,449
Kitchener	4,215,152	3,312,824
Brantford	3,244,299	2,763,576
London	11,228,655	9,182,422
Chatham	1,833,611	1,721,474
Windsor	10,515,006	9,438,254
Sarnia	1,735,539	1,471,769
Sudbury	3,163,557	2,606,444
Fort William	2,070,548	2,015,851
Winnipeg	171,841,178	105,684,954
Brandon	953,827	1,068,068
Regina	9,990,106	9,490,426
Moose Jaw	1,863,758	1,694,226
Saskatoon	4,913,803	4,671,944
Prince Albert	1,202,722	1,134,550
Edmonton	12,528,058	14,391,271
Calgary	20,740,149	16,931,234
Medicine Hat	723,566	734,922
Lethbridge	1,557,824	1,461,345
New Westminster	2,135,664	1,870,660
Vancouver	74,514,159	52,564,247
Victoria	6,503,340	5,660,436

Weekly Bank Clearings

	Feb. 27 1936 $	Change year ago %	Feb. 20 1936 $
Halifax	1,848,967	+12.4	2,063,562
Saint John	1,424,975	+8.0	1,971,250
Moncton	668,949	—0.2	588,141
Sherbrooke	376,143	—24.9	492,094
Quebec	2,724,159	—3.2	3,876,867
Montreal	81,874,669	+8.6	112,269,184
Ottawa	13,176,991	+283.7	18,386,580
Kingston	394,359	+5.6	428,368
Peterborough	536,107	+18.5	505,025
Toronto	111,010,104	+14.7	166,284,351
Hamilton	3,834,160	+22.4	3,634,673
Kitchener	906,726	+13.5	918,566
Brantford	769,129	+18.2	703,266
London	2,324,916	+9.3	2,840,137
Chatham	430,477	+9.3	410,198
Windsor	2,484,107	+14.7	2,637,242
Sarnia	363,477	+12.4	387,848
Sudbury	829,610	+37.5	734,148
Fort William	402,151	—7.8	523,833
Winnipeg	32,123,324	+45.1	38,801,908
Brandon	171,387	—20.9	271,275
Regina	1,990,569	+0.8	2,260,180
Moose Jaw	385,769	+7.2	422,049
Saskatoon	1,060,760	+0.4	1,088,422
Prince Albert	237,616	—19.6	292,949
Edmonton	3,019,547	—12.6	2,876,687
Calgary	4,633,635	+16.8	5,169,470
Medicine Hat	143,950	—13.8	175,226
Lethbridge	372,160	+17.0	344,440
N. W'minster	463,240	—8.4	443,794
Vancouver	18,711,050	+42.7	16,998,318
Victoria	1,298,833	—4.2	1,561,194

Banks' Current Loans Decline $63 Millions

Drop Attributed in Part to Grain Financing—Credit Index Dips to New Low in January at 40.1

A marked decrease in loans and in demand deposits, and a substantial increase in security holdings feature the combined statement of Canada's chartered banks for January.

The loan contraction, amounting to almost $76 millions, was chiefly evident in those to commercial borrowers. It is understood a change in the method of financing wheat board grain advances is responsible for a considerable part of the total. However, loans for other commercial purposes are reported to have shown seasonal reduction.

To some extent, the lower loan total has been reflected in the deposits. Here, demand deposits were down $64.6 millions, although savings were higher by $12.8 millions and foreign deposits also showed an increase.

Index at Record Low

As a result of the month's developments, The Financial Post credit index, which is based on the percentage of call and current loans in Canada to Canadian public deposits, dipped still further from December's record low to 40.1. Except for very short-lived spurts, this index has been falling for more than five years.

Major factors indicating the credit situation are as follows:

Use of Bank Credit in Canada
(In millions of dollars)

	Jan. 1936	Dec. 1935	Ch.	Jan. 1935	Ch.
Loans	951.7	1,027.6	—75.9	1,048.6	—96.9
Inv'ts	1,206.7	1,154.7	+52.0	973.2	+233.5
Total	2,158.4	2,182.3	—23.9	2,021.8	+136.6
Depos.	2,075.1	2,126.9	—51.8	1,942.3	+132.8

The change from a year ago is particularly noticeable in the investment total, which is up by $233.5 millions. Most of this increase has been in long term Dominion government issues, which now stand at $540.8 millions as against $374.5 millions in January, 1935. The gain in Dominion short terms has been limited to $32 millions. The decrease in loans over the year has been largely in current advances, but the loss in January alone was slightly more than the decline in comparison with the same month in 1935.

Cash position of the banks was slightly less liquid at the end of the month, holdings of Bank of Canada notes and deposits with the central bank both being lower than in December.

ASSETS

	January, 1936 $	December, 1935 $	Change $	January, 1935 $	Change $
Immediately Available Liquid Assets					
Canadian coin	6,224,603	5,387,268	+837,335	‡230,372,131	—10,828,750
Bk. of Can. notes	34,579,212	40,578,926	—5,999,714		
Bk. of Can. deposits	178,739,566	181,636,608	—2,897,042		
Bank's cash	219,543,381	227,602,802	—8,059,421	230,372,131	—10,828,750
Other bank notes	5,683,253	7,889,956	—2,206,703	7,322,833	—1,639,580
Gold & sub. coin ab'd	10,257,400	10,409,361	—151,961	11,010,696	—753,296
Foreign banks	126,264,711	111,711,167	+14,553,544	85,895,476	+40,369,235
Foreign curr.	23,796,444	24,289,692	—493,248	20,356,813	+3,439,631
Gov. sec. short term	452,791,527	431,330,749	+21,460,778	420,722,686	+32,068,841
Do., long term	540,759,228	524,604,220	+16,155,008	374,459,520	+166,299,708
Call loans abroad	59,401,596	64,739,788	—5,338,192	93,452,123	—34,050,527
	1,438,497,540	1,402,577,735	+35,919,805	1,243,592,278	+194,905,262
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	104,988,724	99,235,800	+5,752,924	93,085,608	+11,903,116
Public secs.†	47,334,608	46,233,029	+1,101,579	45,751,402	+1,583,206
Other secs.	60,832,160	53,272,725	+7,559,435	39,137,318	+21,694,842
Can. call loans	77,490,042	82,980,995	—5,490,953	91,357,650	—13,867,608
Current loans	756,418,932	819,525,595	—63,106,663	819,381,139	—62,962,207
Loans abroad	144,609,643	144,979,570	—369,927	131,994,870	+12,614,773
Prov. loans	18,084,003	19,397,477	—1,313,474	34,024,017	—15,940,014
Mun. loans	99,736,366	105,667,601	—5,931,235	104,840,258	—5,103,892
	1,309,494,478	1,371,292,792	—61,798,314	1,359,572,262	—50,077,784
Other Assets					
Non-curr. loans	13,555,593	13,125,696	+429,897	14,115,698	—560,105
Real estate	8,644,593	8,592,887	+51,706	7,601,676	+1,042,917
Mortgages	5,305,872	5,306,970	—1,098	5,496,669	—190,797
Premises	76,075,904	75,959,621	+116,283	77,768,074	—1,692,170
Letters of credit	58,661,251	58,190,163	+471,088	54,939,840	+3,721,411
Loans to comp.	10,765,520	10,805,935	—40,415	12,831,080	—2,065,560
Other assets	1,938,003	1,621,111	+316,892	2,331,807	—393,804
	174,946,736	173,602,383	+1,344,353	175,084,844	—138,108
Total	2,922,938,754	2,947,472,910	—24,534,156	2,778,249,384	+144,689,370
Note circ. dep.	6,879,684	6,876,162	+3,522	6,717,349	+162,335
Int. bank bal.	111,952,394	124,759,094	—12,806,700	95,935,195	+16,017,199
Gross	3,041,770,832	3,079,108,166	—37,337,334	2,880,901,928	+160,868,904
LIABILITIES					
To the Public					
Circulation	117,378,498	118,928,662	—1,550,164	124,732,528	—7,354,030
Dom. Govt.	22,759,842	11,872,802	+10,887,040	21,004,109	+1,755,733
Prov. Govt.	45,752,028	40,719,570	+5,032,458	50,891,994	—5,139,966
Bank advances	....	....	....	35,197,000	—35,197,000
Deposits by Public					
Demand dep.	576,299,739	640,920,930	—64,621,191	529,915,309	+46,384,430
Savings dep.	1,498,797,270	1,485,977,174	+12,820,096	1,412,377,612	+86,419,658
Total	2,075,097,009	2,126,898,104	—51,801,095	1,942,292,921	+132,804,088
Foreign dep.	381,054,806	379,475,757	+1,579,049	314,686,917	+66,367,889
Due to Banks Abroad, Etc.					
United Kingdom	8,280,762	8,536,238	—255,476	6,371,810	+1,908,952
Foreign	27,248,090	27,398,569	—150,479	26,004,614	+1,243,476
Bills payable	1,227,572	1,458,024	—230,452	871,804	+355,768
Letters of credit	58,661,251	58,190,163	+471,088	54,939,840	+3,721,411
Other liabs.	3,066,140	3,134,809	—68,669	2,517,345	+548,795
Total public liab.	2,740,525,998	2,776,612,698	—36,086,700	2,579,510,882	+161,015,116
Due bet. banks	13,081,077	14,327,470	—1,246,393	12,294,277	+786,800
Liability to Shareholders					
Dividends	2,540,993	794,397	+1,746,596	950,081	+1,590,912
Reserve	132,750,000	132,750,000	....	132,750,000	....
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,034,398,068	3,069,984,565	—35,586,497	2,871,005,240	+163,392,828
Credit index*	40.1%	42.4%	2.3%	46.8%	6.7%

‡Gold, coin and Dominion notes in Canada.
*Ratio of current and call loans in Canada to demand and savings deposits in Canada.
†Other than Canadian.

Twelve Offices Closed By Banks During January

Twelve branches of Canadian banks were closed in January, bringing the total in operation to 3,410 in Canada and 3,559 altogether.

Offices closed during the month were as follows: By the Royal, Campbellford, Ont., and Ryley, Alta.; Montreal, Kingston and Sherbrooke, Montreal, 44th and Fraser, Vancouver and Vancouver Heights, Vancouver; Commerce, Rosemount, Montreal, Ward Market, Ottawa, Verdun, Que., and Balmy Beach, Toronto; Nationale, Greenfield Park, Que., St. Onesime, Que., and St. Rose du Degele, Que.

Huron & Erie Dividend Is Cut to Five Per Cent

A dividend of 1¼ per cent payable Apr. 1 to shareholders of record March 14 has been declared by the Huron & Erie Mortgage Corp. This represents a cut from an annual total of six per cent to five per cent.

Imperial Bank Plans Four Branch Changes

The Imperial Bank plans the following changes in branch operations during March: Queenston office will be closed March 14; St. Davids, Ont., will be open daily after March 16; Beardmore, sub to Jellicoe, will be open Wednesdays only from March 11, and the Jellicoe branch will be closed on those days.

Trust Changes Head Office

From Our Own Correspondent

MONTREAL. — Commonwealth International Corp. has taken out supplementary letters patent changing the head office of the company from Woodstock, Ont., to Montreal, P.Q.

Staff Changes

The Bank of Toronto has made the following appointment:

A. B. DIACK, formerly accountant at Stayner, to be manager at Creighton Mine, Ont.

Bank Return Gives Details

Over Four Million in Canada Have Balances Under $1,000

From Our Own Correspondent

OTTAWA.—The classification of bank loans and deposits as at Oct. 31 last is given in a return by the chartered banks tabled in the House of Commons last week. The detail shows that the largest single item of loans ($166.4 millions) is for the handling and movement of grain. The total, here, includes advances to the Wheat Board under Dominion guarantee. General manufacturing comes second with $119.2 millions and merchandising third with $113.8 millions. The grand total of loans was $1,068 millions.

Deposits run to $2,090.5 millions and the greater part is in deposits payable on notice and not on demand. Out of 4,640,842 depositors, 4,290,659 have less than $1,000 in the bank, revealing the extent to which the small income class is responsible for the accumulation of money and the extent, also, to which the facilities for safe keeping of money are utilized.

Detailed figures are as follows:

DEPOSITS

	Number	Amount $000
Payable After Notice		
$1,000 or less	3,716,326	425,874
$1,000 to $5,000	263,449	518,525
$5,000 to $25,000	32,460	280,898
$25,000 to $100,000	2,276	99,785
$100,000 and over	471	136,199
Adjustments, certified cheques items in transit, etc.	......	4,290
	4,014,982	1,465,572
Payable on Demand		
$1,000 or less	574,333	76,008
$1,000 to $5,000	39,294	80,086
$5,000 to $25,000	9,355	95,421
$25,000 to $100,000	2,126	99,676
Excess of $100,000	752	271,031
Adj., cert. cheques, drafts, items in transit, etc.	......	2,714
	625,860	624,936

LOANS

	$000
Prov. governments	29,651
Mun. gov. & school districts	96,777
Farmers' loans, cattle loans, fruit raisers, etc.	59,950
Grain dealers, exporters, seed merchants	116,442
Call loans to brokers and bond dealers	66,698
Loans to financial institutions	63,132
Loans to individuals	101,183
Merchandising	113,768
Manufacturers of and dealers in lumber, pulpwood, etc.	72,974
Other manufacturing	119,200
Mining	6,812
Fishing, incl. packers & curers	7,207
Public utilities, including transportation coys.	71,266
Building	24,125
Loans to charitable & religious institutions	16,101
Other loans	52,320
	1,067,609

Trust and Loan Companies

Maritime Trust

Gross earnings of the Maritime Trust Co. in 1935 were $25,239, compared with $23,812 the previous year, and after all charges net profit was increased 15 per cent to $7,487. Surplus at the year end amounted to $22,310, as against $18,876 in 1934.

The balance sheet shows little change from a year ago, with total assets, including uncalled capital stock of $136,100, at $3,011,852, an increase of about $12,000. Investments at $165,009 are substantially greater than the amount of the company's paid up capital, assuring liquidity, and consist almost entirely of Dominion, provincial and municipal bonds.

Earnings Record

Year	Paid-up Capital $	†Net Profits $	Div. Rate* $	Rate Earned* $
1930	135,100	3,024	..	1.11
1931	135,100	4,709	..	1.74
1932	135,100	5,570	..	2.06
1933	135,100	5,963	..	2.19
1934	135,100	6,462	1.50	2.38
1935	136,100	7,487	2.00	2.75

*On subscribed capital, half of which is paid up.
†After income tax reserve.

Capital Account Net Assets

	1935 $	1934 $
Liquid assets	171,470	170,114
Other assets	150,819	149,819
Total	322,289	319,933
Estates, trusts, etc.	2,689,562	2,679,660

Guelph & Ontario

Net profit of Guelph & Ontario Investment and Savings Society in 1935 amounted to $69,299, $2,785 under that of the previous year. In addition to the usual dividend payments, a charge was made from profit and loss account for $25,000 transferred to investment reserve. As a result, surplus carried forward dropped from $51,459 to $37,864.

Total assets are slightly lower at $5,109,915, compared with $5,133,975, declines in cash and securities more than offsetting a larger mortgage total. Apart from the reduction in surplus and lower deposits and debentures, liabilities show little change.

Earnings Record

Year	Paid-up Capital and Reserves $	Net Profits* $	Div. Rate $	Rate† Earned per sh. $
1930	1,834,515	112,600	4	5.81
1931	1,834,515	100,213	4	5.20
1932	1,834,515	100,389	3.75	5.20
1933	1,484,515	72,799	3	3.77
1934	1,484,515	72,084	3	3.73
1935	1,464,515	69,299	3	3.59

*Less taxes. †Par value of stock $50.

Pub. Liabilities and Assets
Creditors' Position

	1935 $	1934 $
Debentures	2,578,008	2,582,617
Deposits	966,583	972,603
Total	3,544,591	3,555,220
Secured by:		
Liquid assets	848,373	951,582
Mortgages & int.	3,762,310	3,691,804
Other assets	456,290	447,809
Total	5,066,973	5,091,195

Bank of Canada Weekly Statement

Few important changes are shown in last week's Bank of Canada balance sheet. The largest was a decline of $6.3 millions in government deposits and a rise of almost the same amount in those of the chartered banks. Reserve in the United States was up more than $2 millions.

Balance Sheet

	Feb. 26 $	Feb. 19 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in cir.	85,291,701	85,995,388
Rest fund	173,092	173,092
Dep.: Dominion	25,765,471	32,042,552
Banks	186,095,679	179,831,625
Other	1,090,411	559,319
Total deposits	212,951,561	212,433,496
All other liabs.	601,307	1,177,329
Total liabs.	304,017,661	304,779,305
Assets		
Reserve: Gold	180,318,842	180,305,308
Silver bullion	1,496,267	1,496,267
Res. in sterling	1,284,738	1,612,097
Res. in U. S.	9,228,457	6,901,748
Res. elsewhere	5,167	5,169
Total reserve	192,333,471	190,320,588
Subsidiary coin	245,140	259,995
Investments:		
Dom. govt. short.	26,109,508	26,109,508
Other Dom. govt.	82,540,022	83,829,944
Total invest.	108,649,530	109,939,452
Premises	113,760	111,970
All other assets	2,675,759	4,147,299
Total assets	304,017,661	304,779,304
Reserve ratio	64.48%	63.77%

Bell Telephone Progress Continues

From Our Own Correspondent

MONTREAL.—The improvement in revenues which was pronounced in the last half of 1935 continues into 1936, according to a statement made by C. F. Sise, president, at the annual meeting of the shareholders of the Bell Telephone Co. of Canada.

In discussing the earnings record of the company, Mr. Sise pointed out that total telephone income reached a peak in 1930 at $41.3 millions. The low was $35.3 millions in 1933. Last year revenues had recovered to $36.3 millions, which was $5 millions, or 12 per cent, below 1930 high. The decline occurred in both local service revenues, which are down approximately 10 per cent from the peak, and in long distance revenues, down about 26 per cent.

In discussing bank loans, which at the end of 1934 amounted to $1.2 millions and which were paid off during 1935, Mr. Sise stated this had been accomplished largely from amounts received for the purchase of stock under the employee's stock plan and the use of reserve funds. These reserve funds in normal years, he said, are employed in the extension and replacement of plant.

A Banker's Nightmare

In Which Alan Campbell, Remford Banker, Dreams of What Might Have Happened Had the Money Tinkers Arrived in the Saddle — Forced Loans and Nationalization

By PETER THOMSON

Alan Campbell was fed up with his job. He leaned against the window of the bank he had managed so well for......what was it now ......twenty-one, no twenty-two years. His mind's eye was busy viewing the past. Fortunately for his peace of mind, he did not see the portentous figure of Zip Chesetti heading toward the bank. His thoughts went back over the years, way back to 1926 when, he reflected, he'd been of some real assistance to his customers.

He tried to figure out the reasons for all the changes in the years that were gone. He recalled the Bank Farm Loan Act of 1936, or was it 1937? He couldn't remember the date. Public opinion had insisted on more bank loans to the farmers, and the Government had backed up the demand. But the farm loans were not repaid, and a financial crisis had ensued a year or two later. Parliament was hastily called together and the Bank Farm Mortgage Act passed. That had helped. The banks were given farm mortgages for security.

Forced to Invest

After that crisis had passed, the demand went on for more and more credit and the famous Percentage Act of 1941 came into effect. The banks had been forced to invest a fixed percentage of their deposits in commercial loans. Before the act was passed, he had warned the Remford Rotary Club it would lead to trouble. Of course, to clear up the financial mess caused by the Percentage Act, inflation had had to come, and the dollar had had to go. He recalled the excitement when daily papers first sold at a dollar a copy. He idly wondered how long the purchasing power of the new cendollar would last. It had been slipping now for eight years.

It did not worry him much. After all he would get a pension. If the cendollar slipped further the Government would be forced to do something for him and for those like him. The country could not have all its aged in the poorhouse.

Humanity Stupid

During all the changes, he'd done his best to tell people about money and just what it was. But humanity was stupid. As long as they could see and feel a bank note, they would insist on regarding it as a commodity which could be treated like other commodities.

People, at least some people, didn't believe in witches, but even in this modern age they still refused to sit 13 at dinner, still threw salt over their left shoulder, and still consulted palmists. What hope of making such as these see that a cendollar was merely a counter representing a definite and fixed amount of merchandise, and nothing more.

He recalled that he had not cared much when it finally became necessary to nationalize the banks. He remembered well the famous election cry which gave Spoofer his startling majority, "The People's Credit Belongs To All The People All The Time." Nationalization would have followed whether he'd been elected or not; during the preceding years public opinion had forced so many stupid financial measures.

Nationalization

He'd not foreseen, though, that bank nationalization would force also the nationalization of the chief industries of the country. He regretted the hardships the years had produced for his many friends in Remford. Of course old Edward P. Marks, once the richest man in the town, squawked the loudest. He didn't mind much that Marks had had tough going. Back in the 30's he always used to complain about the money system anyway. But he felt for the thousands of others who had worked for thirty, forty, and even fifty years. The inflation had left them penniless.

"Hi-ya," said a voice in the distance, "Hi-ya, old pal." A shadow passed over Alan Campbell's face as he recognized Zip Chesetti's voice. Twenty years ago, he'd have fired such a fellow out of his office. But now......He pulled himself together, for Chesetti was a personage in Remford and in the province. He was Grand Chamberlain and High Prosecutor of the Provincial Grand Lodge of the Order of Assyrian Potentates which as everyone knew, was merely Spoofer's political organization. In his plush robes on parade with the Potentates, Zip was indeed an awe-inspiring figure, despite his prominent corporation. In mufti he looked like a combination of a successful gangster and sinister ward-healer. "How are you, Sir?" asked Campbell with a touch of obsequiousness foreign to his nature.

New Style Loans

"Fine, fine, fine," roared Chesetti, "I bin wantin' ta see ya about that there loan fer old Tompkins, ya know."

Campbell knew what it was all about. Tompkins did not need, and should not have had a loan. He'd told Tompkins that the loan application (on form XB 37-54-a2 and signed by a notary public) could not go forward to Ottawa. And here was the Grand Chamberlain, with all his political prestige, about to force him to recommend the loan. Well, why not? He couldn't afford to lose his job. "Would you mind stepping into my office, Sir?" he replied.

"Sure, sure, sure," shouted the Grand Chamberlain spitting tobacco on the white stone floor. They entered the little office and the banker pulled out his chair. As he sat down, the Grand Potentate laughingly pulled the chair from under the bank manager. He sat on the floor with a thud.

The jolt brought him to reality. He stretched out his hand, and lit the lamp at his bedside. The clock pointed only to midnight. He'd slept but an hour. "All those arguments about the banks are affecting my nerves," he thought. "Thank God! It's still 1935."

This concludes Alan Campbell's banking adventures.

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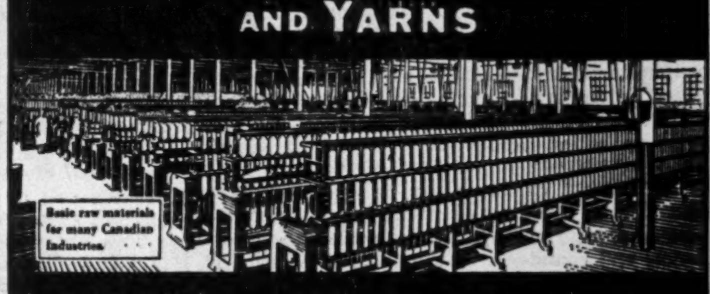

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Foreign Exchange

Apart from a slight easiness in terms of gold bloc currencies and a substantial strengthening against Japanese funds, which were influenced by political developments, the Canadian dollar remained relatively steady during the week ended March 2.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Feb. 25	Feb. 26	Feb. 27	Feb. 28	Feb. 29	Mar. 2
U. S. dollar, High	.5906	.99 [illegible]	.99 [illegible]	.99 [illegible]	.99 [illegible]	.99 [illegible]	.99 [illegible]
Low	.5906	.99 [illegible]	.99 [illegible]	.99 [illegible]	.99 [illegible]	.99 [illegible]	.99 [illegible]
1935, High	.5906	1.00 [illegible]	1.00 [illegible]	1.00 [illegible]	1.00 [illegible]	1.00 [illegible]	1.00 [illegible]
Low	.5906	1.00	.99 [illegible]	1.00 [illegible]	1.00 [illegible]	1.00⅛	1.00¼
U. K. pound	4.8665	4.98⅞	4.99	4.99	4.98¾	4.98¾	4.99
Argentina	.4246	.2757	.2763	.2769	.2763	.2763	.2762
Australia	4.8665	3.9843	3.9845	3.9848	3.9835	3.9835	3.9843
Austria	.1407	.1902½	.1900¼	.1903	.1902¼	.1903¼	.1902¼
Belgium	.1392	.1702	.1701½	.1704	.1704⅛	.1703	.1703
Brazil	.1963	.0574¼	.0574¾	.0574¾	.0574½	.0574½	.0574⅛
Czechoslovakia	.0296	.0419¼	.0419½	.0419¾	.0419¼	.0419½	.0419½
Denmark	.2680	.2227	.2200	.2228½	.2226	.2228	.2229
France	.0392	.0667	.0667	.0668	.0668	.0668	.0668
Germany	.2382	.4059	.4061	.4064½	.4064	.4065	.4066
Greece	.013	.0095½	.0095½	.0095½	.0095½	.0095½	.0095½
Holland	.4020	.6859½	.6862½	.6866¾	.6868½	.6870½	.6870½
Hungary	.1749	.2986¼	.2982¼	.2989	.2987	.2987	.2987
India	.3650	.3797¼	.3796½	.3799	.3796½	.3796½	.3797½
Italy	.0526	.....	.0804	.0805	.0805	.0804	.0805
Japan	.4985	.2911¼	.2897	.2893	.2892¼	.2897¼	.2897¼
Jugoslavia	.1929	.0232¾	.0233	.0233	.0233	.0232¼	.0232¾
New Zealand	4.8665	4.0244	4.0247	4.0249	4.0236	4.0236	4.0244
Norway	.2680	.2507	.2507	.2508½	.2505½	.2506½	.2508½
Poland	.1122	.1913	.1911	.1912	.1912	.1914	.1913
South Africa	4.8666	4.9653	4.9656	4.9659	4.9643	4.9643	4.9653
Spain	.1929	.1381¾	.1381¼	.1383¾	.1383¾	.1384½	.1384½
Sweden	.2680	.2573	.2573½	.2573½	.2571½	.2572½	.2573½
Switzerland	.1930	.3300	.3301½	.3304	.3303¾	.3303¾	.3305¾
Hong Kong	.5422	.3295¾	.3297	.3303	.3297	.3297	.3302

Position of Chartered Banks of Canada as of January 31, 1936, Shown by Monthly Returns to Minister of Finance

LIABILITIES (with SUPPLEMENTARY INFORMATION)

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere▲ $	Bal. Due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $	Capital Authorized $	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are partners $	Average Notes and deposits with Bank of Can. $	Greatest amount of Notes in Circ. $
Montreal	28,399,211	19,852,432	8,921,684	....	153,461,998	411,169,490	67,024,549	2,403,276	2,165,145	4,884,304	202,185	6,948,542	1,777,854	729,835	38,000,000	36,000,000	781,940,510	50,000,000	36,000,000	8	1,016,367	67,446,147	28,501,428
Nova Scotia	9,345,793	241,582	1,493,995	....	38,583,765	144,097,173	39,435,918	1,846,671	204,506	1,788,695	419,481	5,464,129	307,942	9,692	24,000,000	12,000,000	279,149,349	15,000,000	12,000,000	12	1,870,717	18,263,361	9,714,395
Toronto	4,823,740	195,127	2,218,036	....	26,656,356	72,419,539	462,872	930,092	348,337	1,266,880	105,154	1,593,771	....	152,078	9,000,000	6,000,000	126,171,985	10,000,000	6,000,000	10	1,030,716	10,835,207	4,823,740
Provinciale	3,306,312	68,890	23,812	....	5,312,780	35,504,840	141,233	340	2,091	41,809	....	18,409	1,904	4,441	1,000,000	4,000,000	49,426,865	5,000,000	4,000,000	6	704,538	2,703,901	3,306,312
Commerce	23,629,295	655,304	11,747,729	....	123,783,162	299,099,275	61,514,641	2,582,097	1,214,174	6,828,547	118,939	17,115,469	....	606,532	20,000,000	30,000,000	598,890,168	50,000,000	30,000,000	8	2,604,869	41,118,168	23,629,295
Royal	29,942,912	707,276	14,872,338	....	145,508,410	294,625,843	205,775,271	933,007	555,061	8,893,090	354,855	20,770,302	383,859	715,380	20,000,000	35,000,000	779,037,611	50,000,000	35,000,000	8	1,784,531	46,210,265	30,494,442
Dominion	6,021,201	291,041	1,771,335	....	31,988,086	69,376,893	3,429,094	2,111,079	434,794	485,394		4,175,232	329,500	2,338	7,000,000	7,000,000	134,415,993	10,000,000	7,000,000	10	1,139,795	11,190,744	6,021,201
Nationale	5,443,604	196,800	996,920	....	21,970,725	87,424,649	1,647,598	805,232	13,970	300,280	31,958	329,068	265,032	145,252	5,000,000	7,000,000	131,571,093	10,000,000	7,000,000	8	315,964	9,085,475	6,253,884
Imperial	6,177,260	539,826	3,796,133	....	27,669,855	81,599,266	196,450	971,051	161,428	1,144,566	....	1,548,022		175,445	8,000,000	7,000,000	138,979,307	10,000,000	7,000,000	10	507,815	9,306,940	6,372,380
Barclays (Canada)	289,170	11,564	46	....	1,364,602	3,480,302	1,427,180	498,232	3,181,256	1,614,525	....	698,307		....	750,000	1,500,000	14,815,187	1,500,000	1,500,000	....	....	561,993	294,845
Total	117,378,498	22,759,842	45,752,028	....	576,299,739	1,498,797,270	381,054,806	13,081,077	8,280,762	27,248,090	1,227,572	58,661,251	3,066,001	2,540,993	132,750,000	145,500,000	3,034,398,068	211,500,000	145,500,000	....	10,975,212	216,632,201	119,416,902

▲ Of this amount, $32,994,096 represents deposits in Canada in currencies other than Canadian, formerly carried under demand and savings deposits in Canada.

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada $	Gold and Subsidiary Coin Held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of Other Banks $	Govt. and Bank Notes other than Canada $	Cheques on other banks $	Balances due from other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Govt. sec. short term $	Govt. sec. long term $	Canadian municipal securities $	Public sec. other than Can. $	Other bonds and stocks $	Call loans in Canada $	Call loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-current loans $	Real estate other than premises $	Mortgages on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets▲ $
Montreal*	1,638,912	182,862	10,939,481	57,837,760	1,400,365	280,548	26,538,509	65	3,184,617	37,826,649	182,559,548	153,062,853	31,447,853	6,011,976	6,809,126	4,045,990	20,339,707	164,337,099	9,641,805	3,705,733	33,703,238	3,477,180	697,927	808,150	14,500,000	1,686,426	399,711	783,662,431
Nova Scotia	393,456	2,486,992	2,615,094	14,127,442	433,664	3,148,304	11,301,613	....	725,369	5,552,166	42,996,203	54,804,881	12,644,280	936,371	9,651,114	6,177,327	2,585,963	71,454,676	14,712,276	111,055	6,239,837	795,768		100,967	7,129,635	587,003	2,740,207	279,895,804
Toronto	238,909	....	1,258,188	9,651,222	333,510	40,527	8,617,761	....	1,896,268	3,821,033	5,861,272	36,019,815	5,114,476	36,721	1,872,754	3,655,817	....	38,900,987	....	....	3,869,942	314,995		45,748	3,519,399	335,033	....	128,968,150
Provinciale	210,077	....	589,755	2,534,434	188,945	28,851	1,558,364	2,053,072	....	131,411	2,682,956	7,440,251	8,856,739	....	2,951,310	3,892,162	....	12,008,587	....	....	1,010,593	123,868	658,084	367,976	2,092,597	300,000	139,849	49,739,302
Commerce†	960,532	277,036	4,050,449	33,231,313	884,065	840,373	19,267,302	16,618	843,746	17,717,633	91,461,744	108,808,062	11,403,831	24,710,598	13,888,286	19,478,723	13,870,387	138,101,257	18,876,030	6,744,044	28,865,174	3,900,511	2,476,547	2,308,667	14,404,543	1,275,000	4,099,484	539,877,438
Royal‡	1,584,777	7,308,104	5,862,120	43,355,178	1,310,139	19,284,154	22,822,357	3,824	14,191,158	30,770,534	91,471,106	106,377,983	8,995,433	13,968,336	18,299,038	21,354,153	17,377,392	195,038,864	101,131,918	706,242	8,977,172	3,901,346	2,991,556	819,552	16,006,722	1,600,000	4,813,327	779,993,801
Dominion	284,004	535	1,709,790	9,176,398	354,590	57,843	6,020,105	....	317,816	1,297,112	13,258,719	19,424,843	5,169,972	1,250,827	2,717,935	7,376,621	5,228,147	49,146,351	165,226	....	1,077,227	361,297	84,968	37,009	5,853,512	345,074	189,882	135,061,045
Nationale§	519,310	2,071	2,562,402	5,158,619	415,360	63,888	3,895,331	886,394	194,615	1,157,093	14,621,977	21,143,244	16,408,385	419,779	6,512,950	5,012,320	....	31,906,884	82,388	1,030,690	10,716,603	318,145	1,455,523	400,340	6,122,089	350,506	129,859	131,965,846
Imperial	392,371	....	4,922,459	3,367,824	351,755	49,916	6,236,617	613,418	738,958	2,146,214	6,954,512	29,866,828	4,790,361	....	118,697	5,528,980	....	53,468,528	....	5,766,239	5,276,580	348,317	279,990	417,457	5,997,407	473,946	191,082	139,746,490
Barclays (Can.)	2,255	....	69,474	599,376	10,860	2,040	326,650	1,794,394	3,336,373	465,946	1,023,490	3,810,468	157,294	....	10,930	967,950	....	1,065,699	....	....	....	14,166	....	....	450,000	16,696	....	14,822,435
Total	6,224,603	10,257,400	34,579,212	178,739,566	5,683,253	23,796,444	106,584,609	5,367,785	25,378,920	100,885,791	452,791,527	540,759,228	104,988,724	47,334,608	60,832,160	77,490,042	59,401,596	756,418,932	144,609,643	18,084,003	99,736,366	13,555,593	8,644,593	5,305,872	76,075,904	6,879,684	13,703,401	3,041,770,832

* The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

† The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡ The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§ The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in the above return. — Footnote to Banque Canadienne Nationale return.

▲ Total assets include $58,661,251 letters of credit outstanding as shown in liabilities.

Canada—and the Next Five Years

Prominent Canadian Business and Professional Leaders Outline Main National Issues and Offer Solutions

UNEMPLOYMENT looms largely in the key problems that await immediate solution if Canada is to maintain her normal march toward recovery. In solving this, many of the other problems barring Canadian progress would quickly disappear.

This, in brief, is the opinion of those industrial and professional leaders who contribute to this, the third in a series of articles, which The Financial Post is publishing in an effort to construct some definite chart to guide Canada through the next five critical years.

Stimulation of trade, both domestic and foreign, through real leadership and the development of new markets, is cited as a necessary programme. Success in this direction, of course, is not only closely related with unemployment but would also cover the problem of satisfactory distribution of primary products.

To a considerable extent also is the solution of Canada's railway problem involved, but this in turn brings in another major factor, that of the growing burden of public debt.

* * *

In this survey are personal views on the following questions:

1. What are Canada's five chief problems?
2. How, in each case, should these problems be tackled?
3. What other considerations do you think essential in clearing away major barriers to recovery in Canada during the next five years?

A generous breadth of business is covered by the leaders who express their views this week. They are:

* * *

Sir Edward Beatty, K.C., is lawyer, chancellor, railway magnate and bank director all in one. He is also one of the ablest, most clear-thinking public spokesmen in Canada. In terse, forceful language he has penned the accompanying message to The Financial Post on Canada's five chief problems—a message recommended to all thinking Canadians.

* * *

George W. Allan, K.C., is easily Canada's most colorful westerner. When in Winnipeg he divides himself three ways between his own law firm, Hudson Bay Co. and Great-West Life. En route to England he wired his answer in a few trenchant sentences.

* * *

Dr. Harold A. Logan is professor of Economic and Political Science at the University of Western Ontario; is a close student of Canadian labor problems.

* * *

Views of other Canadians will be published in subsequent issues of The Financial Post.

Sane Governmental Principles Needed

By SIR EDWARD W. BEATTY

The Financial Post has requested me to state what in my opinion are Canada's five chief problems, and how we should tackle them. I have no hesitation in acceding to the request, since it is highly important that public opinion in this country should focus its attention on tangible issues, and not dissipate its energies in chasing moonbeams.

SIR E. W. BEATTY

1. I believe that unemployment is the fundamental problem facing us. Whether from the standpoint of economics or from that of ethics, it is wrong that men and women willing to work should find themselves reduced to the necessity of living on public or private charity. It is suicidal that this condition should extend, as it does at present, to the point that young men and women automatically find themselves receiving state or private aid to live after they have reached maturity, and before they have ever learned the pleasure of self-support.

Unemployment Not Permanent

I disagree profoundly with the unthinking statement that we must face a permanent condition of unemployment for a large proportion of our population in the future. We cannot afford to maintain any large number of our people in a condition of permanent inability to contribute to the national income. We have no moral right to create a system by which men, women and their children will be reduced, not only to penury, but to pauperism.

It is not a platitude to say that the cure for unemployment is for men and women to go to work. This country still holds great reserves of natural wealth. Our banks are amply provided with funds which can provide capital. Even in this country the market for goods and services is not saturated. In the world at large, with all the troubles of the times, there is unsatisfied demand sufficient to absorb any surplus of Canadian production in excess of our own requirements. There is not lacking technical skill to organize added production sufficient to absorb the efforts of our unemployed workers.

The present condition can only arise from a cessation of the flow of credit into new enterprises. A wise man once defined credit as confidence, and confidence as the absence of fear. If unemployment exists in Canada it must be the result of fear.

The reasons for the prevalence of fear may be found in my comments on other problems as I see them.

Near Danger Point

2. The second problem is that of public debt. It is well known that the public debt of the Dominion, of the provinces and of the majority of our municipalities, has reached a point of stress, if not of danger. Everyone should realize that public debt is merely another form of private debt. In proportion to his ability to pay taxes every citizen does carry and will carry his share of the burden of public debt. Nothing is more destructive of morale than excessive debt. Individuals who have reached a position of danger in this respect only too often find their judgment warped by their financial troubles. It is not to be expected that a community, any more than an individual, can escape the corroding influence of such a condition.

There is no cure for public debt except to pay it. Ingenious devices for refunding and for pooling credit may be useful—although they have their dangers. The present slow demand for capital for the expansion of business, regrettable as it is, is aiding the public authorities in lowering the proportion of the public income which must be used for debt service. In the end, public debt must be paid. Failure to pay it as agreed, or to reduce it from time to time, or any idea that there is danger of it being paid with fiat money, would create financial chaos in this country. It is the duty of public authorities to repeat that they will meet our collective obligations in full.

Live Within Income

Public debt always results from unbalanced public budgets, and these must be balanced if the growth of public debt is to end. This can be done only by public authorities refusing, in future, to spend more money in a given period than they are certain to be able to raise in that period without destructive taxation. The time for public borrowing is past. The time is here for living within our income. That involves, for every individual in this country, entire cessation of political pressure on governments to maintain or increase the scale of their spending, and willingness to contribute more heavily in taxes than will be quite pleasant.

No argument is good enough to justify, in these days, any increase in public expenditures. What we need is reduction. Appeals for this or that great extension of governmental expenditures, based on the theory that they will stimulate any form of business or aid any class in the community, should not be entertained by any patriotic citizen.

Agitators Busy

3. The third problem is how to restore ordinary confidence in the general honesty and goodwill of our people.

In the stress of conditions produced by the collapse of a great boom, well intentioned men and women, as well as agitators seeking power by demagogic appeals, have spread the belief in this country that our society is conducted entirely in accordance with the rules of what they call "jungle law." Greed is supposed to be the only motive which leads men to try to increase production and add to profit.

I do not believe that the Canadian people are deserving of such a condemnation. Reasonable ambition is not greed, and, on the whole, in this country, personal ambition is tempered by willingness to let the other fellow have a chance, and by a sincere desire to improve the lot of the people at large. Indeed, this is such simple good business that those who believe that business men do not realize its necessity, underestimate their common sense.

Those who, by misrepresentation, whether it be intentional or careless, create in our young people the belief that this country consists of a small group of exploiters and a great mass of exploited carry a great weight of responsibility. I urge them to weigh their words very carefully.

Would Limit Interference

4. My fourth great problem is the present improper extension of governmental activities out of their proper sphere, and the frequent demands for an even greater expansion.

It is easy to point out that in our complex society we must expect an increasing degree of governmental interference. Unfortunately, those who make this plea usually deal in generalities. Is there to be no limit to governmental interference in the life of the ordinary citizen?

What is needed above everything is a clearer definition than many of our leaders give us of what is to be the sphere of government. The bounds of its regulatory powers should not be allowed to grow unchecked. The time has come to set the limits to this process, and I commend this suggestion to anyone who is seeking a powerful appeal to the people. I am confident that nothing would be more popular today in Canada as a programme for a government than an attempt to define and limit the bounds of governmental interference.

I am certain that I do not need to stress the unwisdom of governments actually engaging in business. In no case with which I am familiar has this plan proved successful. The cure is, of course, for governments to dispose of the operation, and ultimately of the ownership, of business institutions which they have acquired.

Wider Foundation Needed

5. The last of my problems is how to expand land settlement and primary production in this country. There are those who try to impress upon us that we now have too much agricultural development, and that what we must look for is an increase in other forms of economic activity. To them I wish to suggest two things: One, that if, as I believe, agriculture and other forms of primary industry are essentially the foundation of our economic system, then we shall require a wider foundation to carry the superstructure of government and industry which we have created than now exists.

Secondly, that I am not sufficient of a careless optimist to believe that this country can remain permanently underpopulated in a world of nations most of whom are, by our standards, seriously overpopulated. A renewal of active measures of land settlement in this country must come in the near future. I trust that it will be ushered in by such an improvement in the relative conditions of agriculture compared with other industries, as to encourage private enterprise to seek an outlet in this direction. Whether this occurs or not, it is essential that we recommence the process of settling the fertile soil which still remains unused.

Not Just Talk

It is possible that in this discussion of our problems my readers may think that I am avoiding tangible issues and taking refuge in pious platitudes and vague generalities. This is not the case. We have arrived at our present troubles in this country partly as the result of world conditions which we could not alter, but very largely because we have not guided our national life by strict adherence to fundamental and tried principles.

There are certain things which will save a country from disaster. Public order; liberty; industry; thrift; reasonable ambition; fair dealing—these are the elements of national success. As far as the destiny of Canada is in the hands of its own people, if we have arrived at a position of some difficulty, it must be as the result of neglect of these simple principles.

Take such a visible problem as that of the Canadian railway situation. It will not be solved except by a return to proper principles of public policy. The present condition is contrary to the rules of thrift, fair dealing, and that limitation of governmental activities which we mean when we say "liberty." It is an abuse of the power of the state to set up a great business institution which must largely depend for its popular support on the cultivation of fear and prejudice against a public utility with a good record of honest public service.

Leaders Should Act

It is a contradiction of the laws of industry and thrift that the state should dissipate the national resources in maintaining this system. It is unfair to use the taxing power of the state to support competition which undermines the earnings of private investors who have acted in good faith. The railway problem will never be solved by the public of this country accepting the views of the president of the Canadian Pacific Railway Company speaking on behalf of his own institution. It will be solved when leaders in every branch of public life point out to the people that the solution of the railway problem is necessary for the public interest, and in order that this country may be well governed. I should be lacking in frankness if I denied the special interest of the Canadian Pacific Railway Company in accomplishing a proper solution of this problem. I should be dishonest did I fail to say that, despite that special interest, I believe that the higher interest of the nation as a whole demands a return to proper principles of public administration in this case.

I use this as a single illustration. I argue that all the problems of this country will find their solution in a return to sane principles of government. When this country returns to these, unemployment, high taxes, the financial difficulties of public authorities, and the ferment of discontent will all vanish.

Business Should Ponder Consumer

By H. A. LOGAN

Your question calls for a lot of mental searching and I am not sure I would answer it in the same way twice. I confess to having experienced a lot of difficulty in keeping my story in five parts. The problems seem to run together at the roots like the shoots of a balm of Gilead tree.

PROF. LOGAN

1. Foreign Trade. This is our problem of playing our decent part in helping to build again and to maintain the larger world economy. The mutual dependence of peoples naturally increases with technological advance. Trade that is dependable is always creative of wealth. Canada's problems today, like those of many others, have their roots in the short-sighted economic nationalism which, like the "flu," spread over the world at the close of the war. To it she owes in no small measure not only her lowered standards of living but much of her section difficulties. At present she is moving in the right direction.

Look at Consumer's Angle

2. Idleness. Not less important is the problem of idleness: idleness of man power, of natural resources and of capital. Idleness derives in part from lack of foreign markets, it is true, but it depends also upon what we do with the situation at home. We have used too little intelligent and co-ordinated effort to take hold of the situation there. One way of expressing it is to talk of building up the home market, but I fancy we come nearer to getting the emphasis right when we shift position and see the whole thing from the consumer's angle. Put him at the centre. Make the plans for his sake and the market problem will take care of itself. That mostly is the trouble with us anyway. The consumer should have hold of the reins but we have turned them over to the donkey.

We need to discover the consumer and learn something more of his nature and dimensions. Probably we shall find that, like the earth, he is round rather than flat; that he is a creature of an infinite number of sides and can be approached from many directions. Because he cannot digest a mixture of wheat and wood products in proportions of 8 to 5 is no reason for assuming that he might not take something else and take it in considerable doses.

Great Britain, it seems, in the past decade has been doing just this. She has discovered the other sides of the consumer. Though her great export markets were in large measure lost and never regained, she turned her attention to studying the wants of the home people and reconstructed her economy with no small success. In part, this has been a matter of answering better the old wants and desires heretofore existing; in part, a matter of developing new wants and allowing her people to express themselves through new consumption habits.

Need Enlightened Organization

What we need at the present time is a purposeful organization of our consumers to decide in numbers what they really want and for what they will sacrifice. Connecting with that we need an enlightened and imaginative entrepreneurial guidance which shall stand in sympathetic relation with the current aspirations of the people. We need, too, some co-ordinating machinery calculated to give unity and balance to productive effort.

As between private and public entrepreneurship I profess to no particular preference. In so far as the task may fall to the public type, however, it should be given a decent break and not be left to town councils. Rather, it should be turned over to the highest type of industrial and engineering talent, with a free hand to disregard claims of particular localities, and with instructions to get results.

But above all we must get to producing. So long as men have wants we must create wealth and services. Our comparative poverty lies not so much in the size of debts but in the failure to command enjoyable wealth. We must get busy producing—if not wheat and paper—then the next best things.

Lax Laws Blamed

3. Distribution. But what of the consumer's pocketbook? The third problem is that of poor distribution of purchasing power. The origins of this (after unemployment) are found largely in unequal prices, in low wages, and in promoters' and monopolist profits. Considerable of it is due to the pecularities of our corporate structure and laxity of our corporation laws. Looking to remedy, I have nothing better to offer than legislative alertness and a large place for an economic council, the latter to act in some cases by itself and in others to supplement the existing control agencies in their various functional fields.

4. Rigid Prices. My fourth is the problem of immobility or rigidity that attaches to some prices. It has been generally agreed that interest rates, for example, over a period of depressed years have been too high. Now while new government bond issues are coming at low rates and central bank offerings are easy, current borrowings by the rank and file are still practically unchanged. Healthy recovery depends in no small measure on their coming down. Similarly, wages in some instances lack the elasticity necessary to keep them in line with other conditions.

Should Be Periodic Review

It would seem to be in keeping with public policy that in these fields and in others involving sticky prices there should be arrangements for periodic review of basic rates and, at such times of examination, the economic council should play an important part.

Again, some legal limit should be placed upon the proportion of our banks' assets that might take the form of government bonds to force them to function in their proper field. The strategic importance of credit in this century has in fact become so great in the carrying through of any significant ventures as to suggest that the institutions that control it should be placed in the category of public utilities, and thus be made responsible to some public body in naming their charges.

5. Quality of Expenditures. Finally, I shall call attention to the questionable quality of our expenditures. Particularly I have in mind public expenditures, though I do not feel that the whole trouble is there. As individual spenders we are dumb and we are driven, and experience teaches most of us that there is little real freedom in making use of our monthly or weekly salary.

As for public expenditures, one reads so much about debts and of the enormity of spending 20 per cent of the national income through government, and sees so little impartial description of what we get in return. While recognizing the need for guarding our exporting industries against undue taxes, I feel that as between collective and individual spending the argument is not all one-sided. School taxes bring better returns to our children than Shirley Temple dolls, and hydro taxes yield us more than many private ventures which start today, go bankrupt tomorrow and rise again with a 30-cents-on-the-dollar financial responsibility the day after.

No Personal Explosions

The difference between public and private extravagance is that nobody breaks into print or explodes bombs all over the platform about our personal "Abitibis." In any case we seem destined to remain for a long time on a relatively high proportion of public spending. Simply paring it down by doing things skimpingly, or turning back to cheap and non-courageous policies, as when we gave up constructive attack on our unemployment problem to fall back on old-fashioned relief, is not calculated to improve matters.

At present we are badly in need of a scientific approach to this whole matter. In years just past we have spent extravagantly, foolishly, and now we are hysterical over the results. Under such conditions, and in view of the organized currents of propaganda, we are liable to draw wrong conclusions from experience.

The problem is control of the purse strings—the whole problem of intelligent spending—which in turn would seem to be largely a problem of broader economic education.

* * *

Remove Barriers To Earning Power

By GEORGE W. ALLAN

What policies should Canada adopt to secure opportunities for all citizens to earn incomes adequate for their needs?

This is our main problem and to solve it sound policies on the following subjects are required:

GEO. W. ALLAN

1. Stimulation of general business including agriculture and other industries.
2. The railways.
3. Foreign markets for the products of farm, forest, fisheries and factories.
4. Constitutional amendments, thereby reducing overlapping and securing co-ordination of finance and taxation with balanced budgets.
5. Restoration of proper mental attitude toward debt obligations.

Unemployment, being largely the result of unsatisfactory conditions in the above matters, will gradually disappear as they are being wisely handled.

Ancient Canadian Money

AWAY back in 1685, under the French regime, officials of the colony which was later to become Canada were confronted with problems very similar to those which present themselves today. One of the most pressing was how to finance expenditures.

The solution was simple. Officials were wont to while away leisure with cards. Why not use cards as notes? So the cards were cut in four and on the backs two inscriptions were placed, the value of the card or its denomination and below, the seal of the governor and the signatures of government officials.

The only drawback, and one which is true of most inflation programmes, was that soon the amount of money represented by the cards was considerably in excess of what the treasurer could redeem.

* * *

BEARING the date 1838, 83 bank notes were recently submitted to the Royal Bank for redemption in the belief that the Union Bank of Montreal, by which they were issued, had been absorbed by the Royal. Unfortunately for the owner, it was the Union Bank of Lower Canada, an entirely different institution, which had been taken over.

However, the notes are of considerable interest. In denominations of $1, $2, $3, $5 and $10, they carry engravings depicting early days in Canadian finance and business. For instance, on the $10 bill is a representation of a railroad train, presumably the first in Canada. They are printed in a polyglot of English, French and Spanish. Use of the word "piastre' on the bills probably arose from the active trade of a century ago between Canada and the Caribbean. Spanish piastres are said to have been quite common in eastern Canada about that time.

CANADIAN CELANESE LIMITED

Annual Report

For the Year Ended December 31st, 1935

To the Shareholders
of Canadian Celanese Limited:

Appended hereto are copies of the Balance Sheet and Earned Surplus Account as at December 31, 1935, and a Statement of Income and Expenditure for the year ended December 31, 1935, together with the Auditors' Certificate.

The net profit for the year transferred to the Earned Surplus Account was $1,602,960.19 as compared with $1,504,706.51 for the previous year.

During the year under review the regular $7.00 dividend on the 7% Cumulative Participating Preferred Stock amounting to $630,000.00 was paid and a participating dividend of $1.91 per share aggregating $171,900.00 was paid in respect of the Earned Surplus to January 1, 1935.

You will also note from the Earned Surplus Account that an amount of $89,000.00 has been appropriated out of the net profits for the year for payment of interest for 1935 on Income Funding Rights outstanding at December 31, 1935.

The participating dividend to which the Preferred shareholders are entitled with respect to the year 1935 will be paid when declared by the Board of Directors and charged to the Surplus Account.

In anticipation of the requirements of the Sinking Fund provision of Special By-Law "A" of the Company, the Company purchased during the year 1,000 Income Funding Rights which are carried on the Balance Sheet at cost of $20,190.00.

The Company has improved its current position in spite of capital expenditures for increased facilities in amount of approximately $760,000.00.

For the Board of Directors,
CAMILLE DREYFUS,
President.

Balance Sheet as at December 31, 1935

ASSETS

FIXED:		
Real Estate. Plant, Machinery and Equipment, at Cost	$9,897,923.61	
Patents, Processes, Trade Marks and Contracts	1,615,853.88	
		$11,513,777.49
Securities held for Investment, valued at Cost		262,143.[illegible]
CURRENT:		
Cash on Hand and in Banks	963,810.22	
Government Bonds and other Securities, at Cost (Market Value $1,169,262.00)	1,027,286.77	
Trade Debtors, less Reserve for Doubtful Accounts	628,418.23	
Other Accounts Receivable and Accrued Interest	19,317.24	
Inventories of Raw Materials, Supplies, Work in Process and Finished Goods—Physical Inventories, valued at Cost	1,363,082.35	
		4,021,914.81
DEFERRED AND PREPAID CHARGES:		
Unexpired Insurance, Taxes, etc.	17,777.76	
Inventories of Stationery and Advertising Materials, at Cost	17,720.80	
Cost of 1,000 Income Funding Rights, purchased during the year and to be dealt with in accordance with the provisions of Special By-Law "A"	20,190.00	
		55,688.56
		$15,853,524.13

LIABILITIES

CAPITAL STOCK:		
AUTHORIZED—		
150,000 Shares 7% Cumulative Participating Preferred, Par Value $100.00 per Share.		
300,000 Shares Common, without Nominal or Par Value		
ISSUED—		
90,000 Shares Preferred	$ 9,000,000.00	
250,409 Shares Common	981,545.00	
		$ 9,981,545.00
Income Funding Rights having the attributes set forth in Special By-Law "A":		
Issued under the Scheme of Arrangement of Nov. 7, 1934 .... 90,000 Rights		
Less: Purchased by the Company during the year, as per Contra (Rights purchased by the Company cannot be reissued) 1,000 Rights		
* 89,000 Rights		
RESERVES:		
For Depreciation of Buildings, Machinery and Equipment	1,680,051.85	
For Amortization of Patents and Processes	512,833.84	
For Contingencies, Unascertained Charges, etc.	102,383.01	
Special Reserve	450,000.00	
		2,745,268.70
Current:		
Accounts Payable and Accrued Liabilities	341,585.90	
Interest on Income Funding Rights	89,000.00	
Provision for Dominion, Provincial and Municipal Taxes	293,376.67	
		723,962.57
Earned Surplus, per Statement attached		2,402,747.86
		$15,853,524.13

Approved on behalf of the Board:
(Signed) C. L. AUGER, Director.
P. A. THOMSON, Director.

Examined and Certified in accordance with our attached Certificate.
P. S. ROSS & SONS,
Montreal, February 14, 1936. Chartered Accountants.

Earned Surplus Account as at December 31, 1935

Balance at Credit, January 1, 1935		$1,719,000.00
DEDUCT:		
Prior Year Adjustments:		
Additional Income Taxes	$ 14,014.51	
Adjustment of Royalties, etc.	14,297.82	
		28,312.33
		1,690,687.67
ADD:		
Net Profit for the year Transferred from Statement of Income and Expenditure	1,602,960.19	
LESS:		
Amount appropriated for payment of interest for 1935 on Income Funding Rights outstanding on December 31, 1935	89,000.00	
		1,513,960.19
		3,204,647.86
DEDUCT:		
Dividends paid on Preferred Shares:		
7% for the year 1935	630,000.00	
Participating Dividend of 10% on the accumulated profits to December 31, 1934	171,900.00	
		801,900.00
Balance at Credit, December 31, 1935		$2,402,747.86

NOTE:—The participating dividend in respect of the year 1935, to which the holders of Preferred Stock are entitled in accordance with the Letters Patent of the Company, will be paid when and as declared by the Board of Directors and will be charged against the above balance at Credit of Earned Surplus Account as at December 31, 1935.

Statement of Income and Expenditure For the Year Ended December 31, 1935

Net Operating Profit before taking up the items below		$2,254,692.98
ADD:		
Income from Investments		49,104.55
		2,303,797.53
DEDUCT:		
Remuneration of Executive Officers and of Directors required to be shown separately under section 113(2) of the Companies' Act	$ 72,280.00	
Fees of Directors not included above	7,740.00	
Legal Fees	10,424.08	
Depreciation	325,393.26	
Income Tax Reserve	285,000.00	
		700,837.34
Net Profit for the year transferred to Earned Surplus Account		$1,602,960.19

AUDITORS' CERTIFICATE

February 14, 1936.

CANADIAN CELANESE LIMITED,
MONTREAL.

We have examined the books of account and financial records of Canadian Celanese Limited for the year ended December 31, 1935, and have obtained all the information and explanations we have required.

We certify that, in our opinion, the attached Balance Sheet and relative Statement of Income and Expenditure and Earned Surplus Account present a true and correct statement of the financial position of the Company as at December 31, 1935, and the result from operations for the year ended that date, according to the best of our information and the explanations given to us and as shown by the books of the Company.

P. S. ROSS & SONS,
Chartered Accountants.

THE FINANCIAL POST

SECOND SECTION

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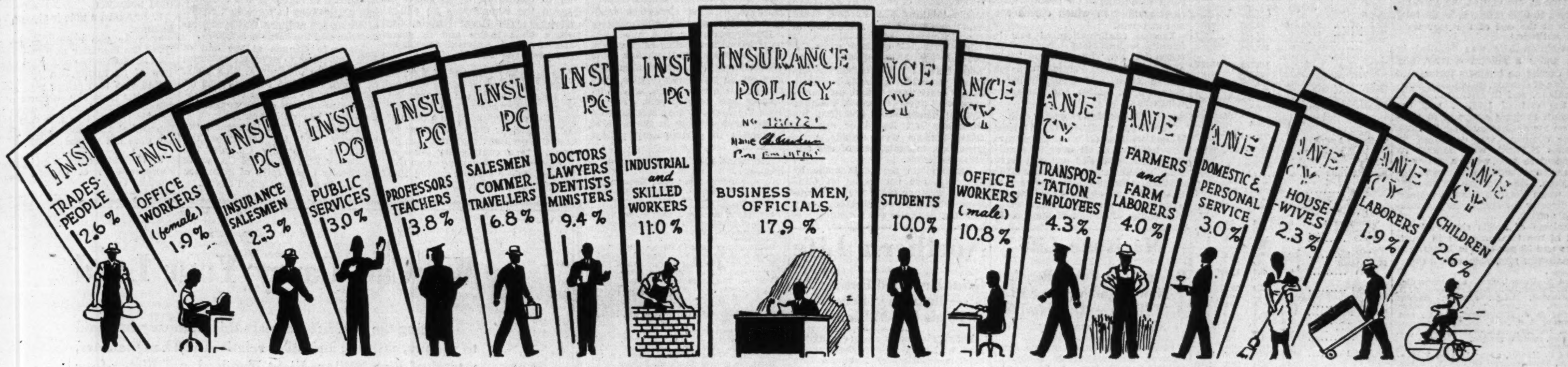


This diagram pays impressive tribute to the way in which life insurance touches every type of citizen in the community. The figures shown above reveal the relative amount of insurance bought in 1935 by various people in Canada as disclosed to The Financial Post by one of the leading Canadian companies.

The figures in each case refer to the proportion of new insurance purchased by these various groups last year as a percentage of total new business written and indicate the tremendous scope of the insurance market.

Children, housewives, the professions, industrial workers, tradespeople, farmers and businessmen—these are the life insurance salesman's prospects—these are the people vitally interested in this great co-operative enterprise which now touches the lives of nearly every citizen in the community.

In 1935, Canada's largest co-operative enterprise received from its members in the Dominion the sum of $200,000,000.

¶ This brings the total so collected in the past 62 years to nearly $3,600,000,000, a sum which has accumulated in that time a Trustee Fund of over Two Billion Dollars of which over 98 per cent is directly owned by the members themselves. As shown in the diagram above, the members who newly-joined this enterprise in 1935 embraced every type of Canadian citizen from children and housewives to farmers, industrial workers and professional men.

¶ This enterprise disbursed among its membership in Canada in 1935, $163,000,000, 75 per cent of which was paid to living policyholders in the form of Policy Dividends, Matured Endowments, Policy Loans, Annuities, Surrender Values and Disability Benefits. The remaining $40,000,000 was paid to the beneficiaries of deceased policyholders. During the six depression years alone, the total amounts so disbursed in Canada by this enterprise have amounted to $1,075,000,000 which is almost double the cost to Canada during the the same period, of relief payments.

¶ The enterprise is, of course, the institution of Life Insurance which now boasts in Canada, 6,300,000 policies of which 2,400,000 are ordinary policies and the balance industrial. The average face value of these ordinary policies is $2,100 and the reserve held by the companies as equity under each contract is $440. Behind this reserve stand protective assets for each policy of $460.

¶ After allowance for an average loan against each policy of $80, the remaining $380 is invested for Policyholders as follows: $118 in First Mortgages; $96 in Government Bonds; $55 in Municipal Bonds; $29 in Public Utility Bonds; $26 in Industrial Bonds; $24 in Cash and other assets; $23 in Real Estate; $11 in various Stocks. Thus every policyholder has a definite stake in every phase of economic life in the Dominion making it imperative that each member of this enterprise take a keen and active interest in maintaining both the security and earning power of these assets.

¶ In maintaining this co-operative enterprise a nationwide organization gives constant employment to 25,000 persons and disburses in salaries, etc., $70,000,000 annually. The direct contacts are made by 10,000 full-time salesmen (of which a considerable number are chartered life underwriters with full professional qualifications) whose prime responsibility is to service and extend the $7,000,000,000 of insurance now in force.

Such is Life Insurance—co-operative financial stewardship for Five Million Canadians

Dominion Life

Waterloo Institution Now Eleventh Ranking Canadian Company on Basis of Business in Force — Total $155 Millions

A gain of 2½ per cent in new business paid for during 1935 despite a decline in volume of new insurance issued, is recorded by Dominion Life Insurance Co., Waterloo. Business in force at the end of the year increased to $155 millions, while total assets at the end of the year were $31.1 millions.

Dominion Life was founded in 1889 under a federal charter, and now carries on business throughout all parts of Canada, in Jamaica, Newfoundland, and in Michigan, U.S.A. At the end of 1935, it was the eleventh ranking company in Canada on the basis of business in force.

The company was organized by Thomas Hilliard, who became its president in 1905 when a policy of expansion outside Ontario was undertaken. He held that office until 1927 when Ford S. Kumpf, managing director for many years, assumed this office.

Analysis of assets shows 44 per cent of the total invested in mortgages and 30 per cent in bonds.

DOMINION LIFE ASSURANCE CO.

Officers—
Ford S. Kumpf, pres. and man. dir.; J. K. Pickett, asst. mgr. and sec.; A. N. MacTavish, A.I.A., actuary; Herbert Schaus, comptroller; F. L. Whitaker, treas.; A. J. Huenergard, F.A.S., asst. actuary; E. S. Reid, A.C.I.S., asst. sec.; J. J. Murray, supt. of agencies; C. T. Necker, medical referee.

Directors—
Ford S. Kumpf, pres.; Edward F. Seagram, Waterloo, and George A. Dobbie, Galt, vice-presidents; Thomas Hilliard, Waterloo; A. J. Andrews, K.C., Winnipeg; W. L. Hilliard, M.D., Waterloo; J. H. Gundy, Toronto; H. M. Snyder, Waterloo; C. Gordon Cockshutt, Brantford; W. H. Malkin, Vancouver; G. A. Forbes, Hespeler; Hon. W. D. Euler, M.P., Kitchener.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	2,873,054	13,936	*2,957
1917	4,650,064	22,272	*4,974
1922	8,232,250	59,608	*13,805
1927	18,890,284	107,364	*23,967
1932	25,850,520	147,721	16,197
1933	26,357,454	145,118	16,571
1934	28,857,019	150,222	18,071
1935	31,098,870	155,279	18,512

*Business issued, increased and revived.

Classes of Business Written—

	Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating	13,780,457	122,748,460
(b) Non-partic.	9,001,617	30,450,185
Group	398,900	2,018,433
Sinking fund	....	61,951
Total	23,180,974	155,279,029

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government	8.0	6.9	4.0	4.2
Municipal	.6	2.0	3.2	3.3
Other	21.6	17.9	15.0	17.7
Total	30.2	26.8	22.2	25.2
Mortgages:				
Farm	8.0	8.6	10.9	49.1
Urban	36.5	37.3	38.2	
Total	44.5	45.9	49.1	49.1
Policy loans	16.3	18.1	18.6	17.5
Stocks	3.6	4.0	5.5	4.7
Real estate	3.9	3.9	3.7	3.3
Other	1.5	1.3	.9	.2
Total	100.0	100.0	100.0	100.0
Interest earned*	4.84	5.03	5.46	5.80

*On mean invested assets.

Life Companies Prove Prompt Claims Payment

No business is more punctilious about meeting its obligations than life insurance. Companies in Canada boast (for example) that no Canadian policyholder has ever lost a dollar through failure of a company to meet its obligations. They also point with pride to the prompt, efficient manner in which claims are met and paid.

Factual confirmation of this is found in an important survey undertaken last year by the Association of Life Insurance Presidents in the United States and which included both United States and Canadian companies.

Claims Met Promptly

The survey analyzed 919,205 claims lodged with 48 different companies and totalling in all over $814 millions. Of these, 98.3 per cent were paid in full for an amount of $802 millions. Furthermore it was disclosed that 36 of the 48 companies pay 87 per cent of their claims within one day of receipt of due proofs of death. Eleven pay 77 per cent of their claims within two days while one pays 95 per cent of its death claims in three days.

Why Claims Held Up

Of the small fraction of cases (6,711 in all) which were compromised, rejected or settled by suit, payments totalling $3.8 millions were made against claims amounting to $12 millions.

In nearly half of these cases the grounds for the companies' action were fraud and misrepresentation. Other important grounds included, in the order named, that the insurance was never effective, that the insured disappeared, and that the insurance had lapsed or expired. Other reasons were suicide, prior payments, misstatement of age and rival claimants.

Death claim payments made by life insurance companies to Canadians average more than $40 millions annually or $133,000 every working day.

Imperial Life

Total Assets Now Over $75 Millions — Company Ranks Eighth Among Canadian Life Firms on Basis of Business in Force

An increase in total assets of nearly $4 millions bringing the total across the $75 millions mark for the first time in the company's history is reported by Imperial Life Assurance Co. in its 1935 annual report. Business in force showed a small gain to approximately $280 millions.

Effective during 1936, the company issued new policy rates which, while showing small change from the previous rates, reveal important changes in surrender values, particularly in earlier years, where decreases are considerable. During 1936, the company also announced a 27 per cent increase in the scale of dividends to participating policyholders.

Imperial Life Assurance Co. began business in Canada under federal license in 1897. It now ranks eighth among Canadian companies on the basis of business in force. In addition to operations in all parts of Canada the company is an active underwriter in Great Britain, the British West Indies and in some parts of Central America, as well as one or two states of the U.S.A.

The company reported at the end of 1935 that security values were at an amount well within market value; that policy and annuity liabilities are computed on a basis of $900,000 greater than necessary to meet Government requirements. In addition to a contingency fund of $1 million, the company also increased its free surplus during 1935 by $655,000 to $4.2 millions.

IMPERIAL LIFE ASSURANCE CO.

Officers—
G. A. Morrow, pres.; S. J. Moore, vice-pres.; J. F. Weston, vice-pres. and man. dir.; G. C. Moore, asst. gen. mgr.; D. Matheson, sec.; J. G. Parker, actuary; H. T. Roesler, treas.; G. H. Hunt, supt. of agencies, H. B. Anderson, M.D., chief medical referee.

Directors—
Representing shareholders: Sir John Aird, D. B. Hanna, Hon. Charles, McCrea, K.C., all of Toronto; Patrick Burns, Calgary; Hon. Donat Raymond, Montreal.
Representing policyholders: J. P. Bickell, M. H. Irish, J. W. Mitchell, S. J. Moore, G. A. Morrow, H. H. Williams, J. F. Weston, F. P. Wood, all of Toronto; John S. Norris, Montreal; W. G. Morrow, Peterborough, Ont.

Field of Operations—
Canada, Great Britain, Bermuda, Newfoundland, Antigua, Barbados, Cuba, Dominica, Grenada, Haiti, Jamaica, St. Kitts, St. Lucia, Trinidad, British Honduras, Guatemala, Honduras, Nicaragua, Porto Rico, British Guiana, and the states of New York and California, U. S. A.

Capital—Authorized $1,000,000
Subscribed 1,000,000
Paid-up 1,000,000

Dividends Paid on Capital Stock
15 per cent per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	8,134,420	38,735	7,852
1917	14,283,845	63,352	13,088
1922	24,928,718	140,026	24,826
1927	45,242,682	242,132	41,795
1930	62,979,827	300,932	33,504
1931	66,147,753	301,467	28,206
1932	67,465,960	291,381	23,436
1933	68,573,416	279,719	18,683
1934	71,357,449	278,935	23,448
1935	75,164,000	279,339	21,544

Classes of Business Written—

	Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating	20,833,339	253,860,306
(b) Non-partic.	2,316,183	22,642,088
Group	864,625	2,836,500
Total	24,014,147	279,338,894

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government	22.7	18.9	15.9	13.8
Municipal	10.5	11.0	10.9	11.3
Other	19.0	19.2	20.1	20.8
Total	52.2	49.1	46.9	45.9
Mortgages:				
Farm	3.1	3.7	4.4	5.0
Urban	15.1	16.8	18.2	18.4
Total	18.2	20.5	22.6	23.4
Policy loans	18.6	20.6	22.0	22.6
Stocks	3.4	3.3	3.4	3.7
Real estate	3.8	3.2	3.0	2.6
Other	3.8	3.3	2.1	1.8
Total	100.0	100.0	100.0	100.0
Interest earned*	4.86	5.31	5.36	5.52

*On mean invested assets.

Travelers

U. S. Company Has Operated in Canada for 70 Years — Big Stake Here

Travelers' Insurance Co., of Hartford, has been operating in Canada since 1865 and accordingly is one of the oldest U. S. companies doing business in the Dominion. Detailed figures of 1935 business are not yet available but 1934 figures show that at the end of that year the company had $115,642,000 in force in Canada, of which $22 millions was group insurance and the balance ordinary.

Assets in Canada at the end of 1934 amounted to over $24 millions, according to the federal blue book, of which over $15 millions was on deposit with the receiver-general for the protection of the company's Canadian life policyholders.

In addition to life insurance, the company and its associates the Travelers' Indemnity Co. and the Travelers' Fire Insurance Co., write practically every form of insurance in Canada and the United States.

New Binding Receipt By Great West Life

Great West Life Assurance Co. has announced a new "binding receipt form." Formerly this receipt was detached and handed only to the applicant when the first premium had been fully paid in cash.

The new terms provide that the receipt may be given to the applicant when the first premium is settled in accordance with the following rules:

1. Provided the applicant pays at least $5 per $1,000 in cash on an annual premium
2. Provided a note is given for the balance.

If these two conditions are fulfilled the company now goes on the risk as at date of completion of part two of its application form. It is stated also that rather than detract from the general usefulness of the binding receipt, the company will permit its issue in any case where the initial insurance being applied for does not exceed $15,000.

J. W. Warner has been appointed representative of Canada Life in London, Ont.

We Can Carry Your Load

During the past fifteen years this Company has paid to widows, children and other relatives and beneficiaries, a total of Five Million, Eight Hundred and Eighty-four Thousand ($5,884,000) Dollars.

Every day this total grows as new payments go to continue for a family the salary of a stricken breadwinner or to provide income for those past their working years.

The income we guarantee for contingencies and certainties YOU must either arrange or leave unprovided as a load for others. Consult our representative who will explain how Life Insurance secured TODAY is your cheapest, safest and best plan.

PROTECTION
THE ONTARIO EQUITABLE
LIFE AND ACCIDENT INSURANCE COMPANY
HEAD OFFICE -- WATERLOO, ONTARIO

Sovereign Life

New Business Gains by 60 Per Cent During 1935— New Agencies May be Opened

An increase of almost 60 per cent in new paid-for business during 1935 is reported by Sovereign Life Assurance Co. The 1935 total of just over $5 millions is the largest figure reported by the company in any previous year.

New business issued, inclusive of business increased and revived, totalled $8.1 millions, which is an increase of almost 22 per cent above the corresponding figure of $6.7 millions in 1934.

Business in force showed an increase over the previous year, the increase since 1933 having been 12.5 per cent.

Comment is made in the company's annual report that "if business is to increase at the rate experienced by this company during the past two years it is necessary that new agencies be established and old agencies extended which for the time being involves some strain on resources." This strain, it is pointed out, has been met so far without impairing the company's position.

Changes in the company's balance sheet during the year include an increase of $270,000 in assets, the company showing increased holdings of government, public utility and industrial bonds. This leaves a smaller percentage of mortgages and a lower volume of policy loans outstanding.

With head office at Winnipeg, the company operates under federal charter in Ontario, Quebec, Manitoba, Saskatchewan, Alberta and British Columbia. Incorporated in 1902, its original head office was in Toronto, being moved from there to Winnipeg in 1912. The present president and managing director were appointed in 1934 following retirement of Dr. H. J. Meiklejohn.

Officers—
W. Sanford Evans, pres.; E. W. Montgomery, M.D., W. F. Hull, K.C., vice-presidents; M. D. Grant, F.I.A., man. dir.; Ernest Atkins, sec.; J. J. Douglas, treas.; J. Turnbull, F.A.S., actuary; H. M. Meiklejohn, supt. of agencies; E. W. Montgomery, M.D., medical dir.

Directors—
Representing shareholders: E. W. Montgomery, M.D., W. F. Hull, K.C., John Martin, John W. Horn, Roy W. Milner, M. D. Grant, all of Winnipeg.
Representing policyholders: E. E. Sharpe, K.C., W. Sanford Evans, M.L.A., William Whyte, all of Winnipeg.

Field of Operations—
Ontario, Quebec, Manitoba, Saskatchewan, Alberta, British Columbia and New Brunswick.

Capital—Authorized $1,000,000
Subscribed 840,600
Paid-up 209,995

Dividends Paid on Capital Stock—$1.25 per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	945,739	3,850	831
1917	1,578,841	7,627	1,780
1922	2,474,693	16,485	2,621
1927	4,235,835	23,571	2,985
1931	6,250,371	27,215	2,290
1932	5,978,885	26,025	2,916
1933	5,867,320	24,710	2,307
1934	5,850,488	25,793	3,183
1935	6,120,213	27,469	5,065

Classes of Business Written—

	Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating	2,406,600	18,199,358
(b) Non-partic.	4,627,232	9,269,386
Total	7,033,832	27,468,744

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government	12.0	10.0	9.4	6.8
Municipal	16.6	16.4	15.8	15.6
Other	8.1	6.4	4.4	4.8
Total	36.7	32.8	29.6	27.2
Mortgages:				
Farm	20.4	21.0	21.8	21.8
Urban	19.4	21.2	21.3	22.9
Total	39.8	42.2	43.1	44.7
Policy loans	16.2	18.0	20.6	22.8
Stocks	2.5	2.2	2.2	2.2
Real estate	3.7	3.6	3.4	3.0
Other	1.1	1.2	1.1	.1
Total	100.0	100.0	100.0	100.0
Interest earned*	5.72	5.38	4.52	5.18

*On mean invested assets.

Occidental Life Business Over $7 Millions in Canada

Occidental Life Insurance Co. of Los Angeles, California, operates in Canada under a Dominion license, having commenced business here in 1928. No figure for total assets in Canada as at the end of 1935, is available, but at that time the company had $700,491 deposit in the form of bonds, debentures and debenture stocks with the receiver-general for the protection of life insurance policyholders.

Total insurance in force in Canada at December 31, 1934, was $7,351,000.

Head office of the company for Canada was recently moved to London, Ont. Chief agent in Canada is J. W. Miller.

National Life

New Insurance on Paid-for Basis Shows Gain in '35 — A. H. Beaton Now Managing-Director

In 1935, National Life Insurance Co. appointed A. H. Beaton, K.C., managing director of the company, of which he has been president for ten years. The appointment followed the death during the year of F. Sparling, former managing director.

With head office at Toronto, the company has been operating under a federal license since 1889. Apart from Canada, it also operates to some extent in Bermuda. The latest figures show over $55 millions of business in force, and total assets of $11.8 millions. The company's balance sheet shows securities at book values against which a special reserve of $845,000 is set up on the opposite of the ledger.

Though new business issued and revived during 1935 was lower by six per cent, new paid-for insurance increased by over eight per cent.

Officers—
A. H. Beaton, pres. and man. dir.; A. A. MacDonald, M.D. (Edin.), vice-pres.; E. W. Doane, sec.; M. W. McCutcheon, asst. to pres.; J. W. Fisher, B.A., actuary, J. P. Dandy, F.A.S., assoc. actuary; R. M. Huestis, mgr. of agencies; J. Norman, M.D., medical referee.

Directors—
Representing shareholders: A. H. Beaton, A. A. MacDonald, M.D., Toronto; R. E. Cox, Montreal; Rt. Hon. G. P. Graham, Brockville; Hon. R. Lemieux, K.C., Ottawa.
Representing policyholders: Col. A. E. Kirkpatrick, E. W. Bickle, Toronto; Hon. E. M. MacDonald, K.C., Pictou, N.S.

Field of Operations—
Canada and Bermuda.

Capital—
Authorized $1,000,000
Subscribed 1,000,000
Paid-up 250,000

Dividends Paid—10% per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	2,093,231	18,403	5,379
1917	3,755,420	22,687	4,338
1922	6,155,137	37,129	7,341
1927	8,477,959	48,890	10,332
1930	10,621,788	61,079	9,183
1931	11,158,000	60,590	7,603
1932	11,433,390	59,094	8,539
1933	11,552,874	55,532	5,713
1934	11,611,698	55,537	6,248
1935	11,775,819	55,448	6,783

Classes of Business Written—

	Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating	1,840,262	31,248,802
(b) Non-partic.	5,443,583	24,199,175
Total	7,283,845	55,447,977

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government	15.5	11.6	14.0	15.2
Municipal	53.1	53.7	53.5	52.8
Other	3.0	3.0	3.8	4.4
Total	71.6	68.4	71.3	72.4
Mortgages:				
Policy loans	18.0	19.2	20.2	20.1
Stocks	3.2	3.1	3.0	2.8
Real estate	3.9	3.9	4.0	3.9
Other	3.3	5.4	1.5	.8
Total	100.0	100.0	100.0	100.0
Interest earned*	4.62	4.99	5.63	5.68

*On mean invested assets.

Mutual of Australia

A considerable reduction in new paid-for insurance during 1935 and a small decline in business in force is reported by Mutual Life and Citizen Assurance Co. in respect of its Canadian operations.

The total of almost $6 millions of new business paid for during 1935, although well below the corresponding figure of $6.7 millions the previous year, is nevertheless higher than corresponding figures for either 1931, 1932 or 1933. Assets in Canada are also lower by almost $2 millions due to the withdrawal of moneys held by the company in Canada in excess of reserves necessary to meet government requirements. This excess at the end of 1934 amounted to over $4,000,000.

Head office of the company is at Sydney, New South Wales, Australia.

Class of Business Written—(Canada Only):

	Issued (net) 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating	1,245,373	12,925,014
(b) Non-partic.	36,875	531,961
Group	nil	nil
Industrial	4,686,803	16,995,430
Total	5,969,051	30,452,405

Growth of Business (In Canada)

Year	Assets $	Business in Force $	New Ins. Paid for $
1931	6,358,123	34,356,302	5,910,806
1932	7,443,930	31,899,359	5,123,342
1933	7,488,105	30,354,727	5,431,425
1934	10,022,603	30,543,139	6,695,513
1935	8,152,043	30,452,405	5,969,051

Entire Operations

Year	Assets $	Total Business in Force $	New Ordinary Business Paid for $
1931	99,085,061	272,887,437	21,453,201
1932	102,909,287	274,747,949	19,564,291
1933	107,105,279	281,556,980	19,806,078
1934	111,808,000	292,223,700	20,525,575

Interest Earned (%) on Mean Invested Assets

	1935 %	1934 %	1933 %	1932 %
Industrial business		4.87	4.63	4.77
Ordinary business		4.97	4.90	4.80

Maritime Life

Business in Force Reaches New High Mark at $13.2 Millions — Dividend for Shareholders

Maritime Life Assurance Co. commenced business under a federal charter in 1924. From its head office at Halifax, it has extended its operations not only throughout the Maritime Provinces, but also to Newfoundland, Bermuda, Bahamas, Jamaica and the Leeward Islands Of total business in force about one third is outside Canada.

The company's statement for 1935 shows business in force increased by over half a million dollars to $13.2, the largest figure in the company's history. New business issued was slightly lower than the previous year, while assets gained 12 per cent to a total of $1.9 millions on a basis of book values. Against these valuations the company sets up a reserve of $135,000 and shows a small free surplus available for policyholders over and above paid-up capital of $250,000.

Early in 1936 the company announced payment of its first dividend to shareholders, the amount being three per cent on paid-up capital stock.

MARITIME LIFE ASSURANCE CO.

Officers—
Hon. E. A. Reilly, K.C., chm. of board; J. G. MacDougall, M.D.D, pres.; H. R. Silver, vice-pres.; B. Lockwood, F.F.A., A.I.A., sec.-treas. and actuary.

Directors—
Hon. E. A. Reilly, K.C., Moncton; J. G. MacDougall, M.D., H. R. Silver, R. B. Colwell, Hon. Senator W. H. Dennis, G. H. Murphy, M.D., all of Halifax; Hon. Senator J. McLean, Souris; Hon. Senator F. B. Black, Sackville; W. F. Fraser, New Glasgow; J. D. McKenna, Saint John; W. H. Miller, Campbellton; Dr. J. L. McIsaac, M.L.A., Antigonish; Red Hugh McLean, Saint John; J. H. Winfield, Halifax.

Capital—
Authorized $1,000,000
Subscribed 1,000,000
Paid-up 250,000

Dividend to Shareholders—3% to be paid in 1936.

Growth of Busines

Year	Assets $	Business in Force ($ 000)	New ins. Paid for ($ 000)
1931	1,169,000	12,362	2,143
1932	1,337,367	12,314	1,631
1933	1,497,834	12,217	1,412
1934	1,675,117	12,665	1,863
1935	1,877,067	13,208	1,811

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government	16.9	16.4	19.6	13.6
Municipal	21.3	22.2	17.7	15.9
Other	27.9	27.6	27.2	32.6
Total	66.1	66.2	64.5	62.1
Mortgages	15.0	15.9	18.2	18.9
Policy loans	8.7	9.0	8.8	7.3
Stocks	6.8	5.7	5.6	6.0
Real estate	.8	.8	..	..
Other	2.5	2.4	2.9	5.5
Total	100.0	100.0	100.0	100.0
Interest earned*	5.25	5.40	5.23	5.56

*On mean invested assets.

Life Insurance Managers' Association of Winnipeg held their third annual dinner and meeting recently. O. Pryce Jones is president of the association.

Northern Life

Gains Reported During '35 —Business in Force Now Totals $44 Millions

Reappraisal of all assets during the year, with revaluations where necessary, is reported by Northern Life Assurance Co. during 1935. The company reports increases in assets, business in force and free surplus during the year. New business paid for increased almost 10 per cent.

Northern Life has been doing business in Canada since 1897 and now has total business in force of $43.8 millions, and total assets of $9.6 millions.

Since the appointment of G. W. Geddes, general manager of the company nearly four years ago, the company has made considerable progress. It has shown an increase in free surplus over and above all liabilities and reserves in each year since 1929, although both volume of new business written and business in force have been materially reduced since that time

Analysis of the company's assets shows a small increase in holdings of stocks and an increase in real estate accounts.

Officers—
R. G. Ivey, K.C., pres.; W. E. Robinson, vice-pres. & treas.; G. W. Geddes, F.A.S., gen. mgr. and actuary; G. Fay Davies, asst. gen. mgr. and sec.

Directors—
Representing shareholders: R. G. Ivey, Ray Lawson, J. E. McConnell, W. E. Robinson, F. A. McCormick, S. Thompson, M.D., all of London.
Representing policyholders: J. S. Moore, Major G. J. Ingram, J. G. Thompson, London.

Capital—Authorized $1,000,000
Subscribed 1,000,000
Paid-up 250,000

Dividends to Shareholders—None being paid.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	1,810,228	9,007	2,205
1917	3,090,779	12,437	3,298
1922	4,495,263	30,464	9,644
1927	6,288,065	44,821	17,037
1930	8,324,276	57,900	8,241
1931	8,873,000	53,196	4,939
1932	8,820,622	48,854	4,324
1933	9,000,735	45,033	4,219
1934	9,249,033	43,535	4,753
1935	9,641,749	43,816	5,373

Classes of Business Written*—

	Issued (gross) 1935 ($ 000)	Business in Force Dec. 31/35 ($ 000)
Ordinary business:		
(a) Participating	3,828	31,203
(b) Non-partic.	2,019	10,853
Group	338	1,760
Total	6,185	43,816

*These totals include the commuted value of deferred annuities.

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government	15.5	16.4	15.4	14.7
Municipal	10.1	12.2	12.9	12.0
Other	8.2	8.1	6.8	7.4
Total	33.9	36.7	35.0	34.1
Mortgages:				
Farm	.5	.5	.7	.9
Urban	34.8	34.4	35.7	37.7
Total	35.3	34.9	36.3	38.6
Policy loans	18.9	19.9	21.0	20.2
Stocks	3.4	2.4	1.1	1.1
Real estate	7.3	5.4	5.6	4.3
Other	.9	1.0	.9	1.6
Total	100.0	100.0	100.0	100.0
Interest earned*	5.20	5.14	5.47	5.84

*On mean invested assets.

Once Again!

The Largest Insurance Organization in the British Empire.

THE PRUDENTIAL ASSURANCE COMPANY LIMITED, OF LONDON ENGLAND

ANNOUNCES ITS DIVIDENDS

All fully participating policies of the Canadian Class will receive on the policy anniversary in 1936:

WHOLE LIFE Policies— A DIVIDEND OF $23.00
Paid Up Insurance per $1,000 Sum Assured

ENDOWMENT Policies— A DIVIDEND OF $20.00
Paid Up Insurance per $1,000 Sum Assured

To those who prefer, liberal CASH DIVIDENDS will be paid

PARTICIPATING POLICIES RECEIVE DIVIDENDS EACH YEAR
ALL CANADIAN POLICIES WRITTEN AND ISSUED IN CANADA
ALL CANADIAN CLAIMS PAID IN CANADA IN CANADIAN FUNDS

THE PRUDENTIAL ASSURANCE COMPANY LIMITED
OF LONDON, ENGLAND

Head Office for Canada: 465 St. John Street, Montreal

LIFE • FIRE • CASUALTY

In 1865—

The Sun Life was granted a charter — two years before the Confederation of the Provinces of Canada.

In 1871—

The Company commenced active business —since that time more than nine hundred and eighty million dollars has been paid to policyholders and beneficiaries.

In 1935—

Over eighty million dollars was paid to policyholders and beneficiaries — more than two hundred and eighty-five thousand dollars for every working day of the year.

SUN LIFE ASSURANCE COMPANY OF CANADA

Provide for Your Dependents with a Sun Life Policy

SUN LIFE ASSURANCE COMPANY OF CANADA

Is Life Insurance A Buy?

Experts Say Inflation Is Already Here Which Raises Vital Problems for the Man Who Has Life Insurance Already or Who Plans Making New Purchases— A Frank Discussion of Fundamentals

By KENNETH R. WILSON

Butchers, bakers, candlestickmakers—they all know the word inflation. They wonder what it will mean to them—IF—it comes.

And back comes the word from the experts (some of them at least) that there is no "if" about it.

For example Lewis W. Douglas, former U. S. federal budget director wrote bluntly in a magazine article a few weeks ago: "Many people preface their remarks with this statement: 'If we have inflation .....' There is no 'if' about it. We have inflation now."

And to come nearer home, there are at least a score of Canada's most well-to-do citizens who during the last few months have taken definite steps to put their personal affairs in order on the assumption that inflation is already here and gathering momentum rapidly.

Set House in Order

Another observer who has made a close study of inflationary movements on this and other continents said recently: "Apparently one can draw the conclusion that not only is inflation to be expected, but that it is actually here and is well along its course and true to form. It therefore behooves all of us to set our house in order if we are to protect and preserve the funds placed in our care to ensure the existence of our corporations, a livelihood for our employees, and I much regret to say, a probably smaller return to our stockholders."

Vital to Policyholder

Since inflation concerns the value or purchasing power of our currency, and since life insurance is one of the great depositories of currency on this continent, the buyer and seller of life insurance is coming closer and closer to the question, 'What will inflation do to life insurance policies and life insurance savings?"

Not only is this question important because for millions of people on this continent life insurance is their only major investment, but it is equally important to maintain a proper perspective before the era of hysteria which invariably accompanies the latter stage of an inflationary programme occurs. As one commentator puts it, "When a country is under the spell of speculative emotions, it is difficult to maintain perspective, to determine a long-range programme, and to persist in following it. That is why even in the most prosperous of times, fortunes are lost."

Is Insurance a Buy?

That is why people on this continent are asking with increasing interest the question, "If inflation is on the way should I buy or continue to buy life insurance?"

To answer it two things are necessary. First, it is important to understand just what is life insurance and what its position might be in an inflationary situation. The second is the question of alternatives—namely, "Where else shall I put past, present and future earnings if not into life insurance?"

Cheap and Dear Dollars

One reason, obviously, why people question their life insurance investments is the fear that they may be savings (in the form of insurance premiums) in what might be called "dear" dollars and receiving the proceeds during or after the inflation debacle in "cheap" dollars.

The answer to this hinges in large measure on the definition of "inflation." The two most common types of inflation are those associated either with the printing press, which featured so largely in the German catastrophe after the war, or the more gradual expansion of credit and prices by means of excessive Government expenditures and borrowings aided perhaps by such artificial stimulants as devaluation of the dollar such as occurred in the United States nearly three years ago.

It is the latter type which is of course the kind now being experienced in North America and which may assume spectacular proportions, depending on Governmental policy, business recovery, world conditions, and so forth. Opinion seems virtually unanimous that the uncontrolled, printing press variety which Germany experienced is not to be feared on this continent, since conditions here are in most respects the antithesis of those prevailing then in that country.

Dollar Constantly Fluctuates

However, to return to discussion of the life insurance contract, it must be obvious that the type of inflation now being experienced on this continent is primarily an exaggerated form of fluctuations in the value of dollars which have characterized economic history for centuries.

For in reality, the thing we now fear as inflation is merely a special name for generally and rapidly increasing prices. A situation where the dollar is declining in purchasing power and where prices of commodities and the like are rising. Sometimes such an increase in prices is brought about by direct political action, as at present, in which case we term it inflation. More generally, it occurs by the automatic adjustment of economic forces.

Thus if we take the 1926 dollar as a normal or average, we find the purchasing power of money in the last 15 years has been extraordinarily varied, and that compared with our so-called 1926 normal, the purchasing power of the dollar in 1920 was but 65 cents, while by 1934 it had risen to $1.40.

Insurance Position Strong

Actually, the position of the life insurance policyholder in a fluctuating picture such as this is a peculiarly strong one, because nearly all life insurance contracts are bought and paid for over a period of years, which means that the policy is paid for in "average" dollars, some of which may be "cheap," and some of which may be "dear."

Not only that, but this same law of averages as it affects the purchasing power of the dollar, applies equally to the policy benefits paid either to you or to your family, if such payments are made in "installments" of income instead of in a lump sum. Furthermore any policyholder who feels this is not sufficient guarantee may stipulate that when the policy matures either as an endowment or as a death claim, the proceeds be left with the company subject to a withdrawal privilege. Thus in the event of this maturity occurring at a time when dollars are low in value, the proceeds may be left with the company until the purchasing power of the dollar rises once again.

Affects Only Savings Fund

Then too, it might be noted that only a part of the insurance premiums deposited with a company would be affected by inflation, since most life insurance policies perform a dual service of protection and investment. The part of the premium which pays for your protection is really in the same category as the money you pay each year for your automobile insurance policy. This money simply covers the risk for the one year on a renewable term basis.

The only possible effect which inflation could have on this part of the premium would be through any change in the buying power of the dollar that might occur between the date of payment of the last premium and the date of maturity of the policy by death.

When this fact is realized, it means that only the other part of your insurance premium—the part that goes to build up the savings fund at the credit of each individual policyholder, is really affected by inflationary fluctuations, and, as already pointed out, this money is protected to a large degree by the fact that premiums are paid—and may be payable—in neither cheap nor dear dollars but "average" dollars.

Which leads to the second question—namely, what alternatives are there for investment in a time of inflationary prices?

Obviously, since insurance dollars are "average" dollars ,then the only logic which would justify taking these dollars out of the insurance companies' investments or refusing to add to them would be where the insured had knowledge of some other place to put them where their buying power would not be affected.

Unless the insured has a satisfactory answer to this question, then the idea of taking the funds out of the insurance company's portfolio or refusing to put additional dollars in, does not make sense, because the past five years have amply demonstrated that the safest place for accumulated or surplus dollars is in the hands of sound life insurance companies.

Common Stock Purchases

Perhaps the thought which springs to most people's minds in answer to this query, is the purchase of common stocks (in place of fixed interest investments and life insurance savings) as a "hedge" or protection against the consequences of inflation.

Theoretically, such a purchase or the purchase of commodities or real estate seems to be the logical thing to do. Yet the purchase of any one of these three things involves a very definite gamble not only as to what stocks, what property or what commodities to buy, but also, having bought, when to sell.

One has only to recall that stock and bond values on this continent after the 1929 financial debacle declined by an estimated amount of $160 billions, and that real estate values shrank by one half, to realize the amount of risk involved at the end of any inflationary or price-raising cycle. As an experienced trust officer remarked, "Any determination to pursue the purchasing power of the dollar is a decision to embark upon an uncharted sea and run the risk of self-destruction."

Danger of Loss

Certainly there are elements of profits at the end of such a course, but there are also dangers of grave losses, particularly when it is remembered that the weakness of most personal financial programmes is failure to adopt a plan which will show consistent and regular accretions of capital in good times and bad.

In other words, the need for most of us is not how to increase our capital by a few lucky strokes, but rather to adopt some sort of sound financial programme which will carry through fair weather and through foul, which will eliminate problems of reinvestment, reduce chances of loss to the vanishing point and eliminate worry as much as possible from the picture. Once this is attained, then any surplus funds might then be used as an inflationary gamble provided always that there is an adequate hedge against possible loss, by provision of an adequate reserve fund for the investor and his family.

In short, common stocks, commodities and real estate, though they may look attractive as we enter an inflationary period, are none the less a speculation. Dollars placed in this manner become speculative dollars, whereas dollars placed in the life insurance fund are pre-eminently "safe" dollars in so far as anything is safe at the present time on this continent.

Remember Objectives

To sum up, moneys placed in a life insurance fund are put there primarily either to provide a stable and adequate income to replace income earned by the policyholder, or else to furnish a stable and adequate income to the policyholder himself in the event of him living to the age when personal earning power stops. Thus, no matter how great the lure or the pitfalls of inflation, these two primary objectives of life insurance should still be borne in mind.

Provided these objectives still hold good, then life insurance continues to provide the best possible answer, because it provides an answer not only in "average" dollars, but also in dollars that are "safe."

Life Insurance View

And finally here are the views of one of the best informed life insurance officials on this continent, Joseph B. Maclean, associate actuary, Mutual Life of New York who in a new edition of his standard work "Life Insurance" published last month, says:

"The possibility of inflation and its effect on life insurance have been very much in the minds of policyholders during the past few years.

"Life insurance contracts are in dollars and the assets of the companies are, except to a very small extent, securities which are payable in dollars. The financial condition of the companies, therefore, would not be affected by a reduction in the value of the dollar. They would, however, be affected by the consequent increase in the cost of conducting the business.

Annuities Affected

"On the other hand, it would presumably be easier to clear up defaults and to dispose of foreclosed real estate. Policyholders suffer from the reduced purchasing power of the proceeds of existing insurance. It must, however, be remembered that the purchasing power of money has not been stable in the past and that much of the insurance outstanding has been paid for in dollars of low value, so that no great injustice would, in general, result from a moderate devaluation, especially as future premiums would be paid on the new basis.

"In the case of annuities purchased in times of high purchasing power the effect is more unfortunate, but that is a risk which is inherent in all forms of investment.

"Inflation through the unrestricted issue of unconvertible paper money, or from an extensive devaluation of the dollar, would be disastrous to the holders of life insurance policies (as well as to most other people). The practical effect would simply be to wipe out both assets and liabilities—since both securities and policies provide for payment in dollars, and dollars would soon cease to have any real value. Life insurance policyholders have, therefore, a special interest in opposing any proposals leading to material devaluation or to the issue of fiat money."

Light Is Needed On Inflation Riddle

"Should we keep silent," asked a leading insurance executive recently, "about the effects of drastic inflation upon the 65 million policyholders who have invested their hard-earned dollars in life insurance and whose families are counting upon its protection?"

His reply was an emphatic "No." "For," he says, "as life insurance goes so goes the nation."

"If the carefully managed, conservative institution of life insurance which has weathered the depression so magnificently, which has its roots deep in the economic life of the nation is going to be severely damaged, the very foundation of our social order will be undermined.

"The answer is not suppression of facts, but a widespread knowledge of them so that the great force of public opinion will keep us from the precipice."

Group Prospects Good

Improved Corporation Earnings and Dividends Herald Healthy Outlook For Group Insurance Sales in 1936

With scores of Canadian corporations in every branch of trade and commerce reporting substantially improved profits in 1935 over 1934, and corporation dividend payments up 15 per cent at the highest total since 1931, there is ample evidence available of the improved earning power and profit position of Canadian business.

Translated into terms of insurance, this indicates that granted a continuation of this improvement during 1936, the market for group insurance in Canada looms as the best in many years.

Post-war Development

When group insurance first developed sufficient importance to be tabulated separately in Blue Book returns, the new business placed in Canada (with one exception) averaged 10 or 11 million dollars annually. This was in the post-war days of 1919-1922.

From then on, the volume of business increased rapidly year by year, reaching a peak in 1929 of $77.5 millions. During the depression the falling-off in demand for this form of insurance was almost precipitous, so that by 1933 only $13 millions of new business was placed in Canada—a figure not much larger than the sales of early post-war days.

Now on Up-grade

In 1934, the return of industrial employment and restoration of profitable operations in at least some lines of business aided in boosting group insurance sales. Thus, total new business placed among federally licensed companies reached the $20 millions mark.

Preliminary figures for 1935 compiled by The Financial Post indicate some companies with considerably improved sales while most companies report a considerable volume of old group business has been increased. Furthermore, a survey of executive opinion among Canadian life insurance companies indicates a banner year prospect for 1936.

Prospects Excellent

As one supervisor of group sales puts it: "We believe there is every indication that group protection will be sold more easily and in greater volume during 1936 than during the past several years. In our United Kingdom division, for example, a remarkable business recovery is in progress, and our group department there is contacting an increasing number of good prospects. We believe 1936 offers a real opportunity for a much greater expansion in all phases of our group work."

Still another company, which operates extensively both in Canada and the United States, and which reported at the end of 1935 the largest volume of group insurance it has ever had in force, reports: "The curve is now definitely upward, indicating that more and more group insurance will be sold this year and in the years to follow. Employers and employees are group-conscious today. They value its benefits. Employers regard group insurance as a progressive step in employees' welfare—to assist them in obtaining protection at low cost under terms and conditions far more favorable than individuals can procure it—and at a cost to the average employer of less than one-half of one per cent of pay roll."

Students, Businessmen Prove Best Prospects

Industrial and Office Workers Prominent Insurance Buyers in 1935 Canadian Survey Shows

That the largest number of individual policies in 1935 was purchased by students and that the largest total volume of business was placed with "businessmen, proprietors, officials, etc.," is revealed in a remarkable analysis of its new ordinary business made during the past few weeks by London Life Insurance Co. and made available to The Financial Post.

Another striking fact about the analysis is the fact that although 15.8 per cent of the total policies sold by this company in 1935 were bought by students, the next largest number of individual purchasers was industrial workers who accounted for 10.6 per cent of the total. On the basis of the amount of insurance purchased, the next best group of prospects as indicated by the London Life results, was the designation "Office Workers—male."

Fourteen Thousand Policies

The survey covers some 14,062 policies for an average amount of $2,492 and a total insurance volume of over $35 millions. This is between 8 and 9 per cent of the total ordinary business placed in Canada last year by federally licensed companies.

The survey is one of the few ever undertaken in Canada to determine the occupations of life insurance buyers and is therefore particularly important in that it throws important light (for one company at least) on the type of citizens which were found to be good insurance prospects.

Another important fact gleaned from the results of the survey is the average size of policy purchased by different types of buyers. Apart from "unclassified" buyers, the largest average policy came from doctors who purchased an average amount of $6,048 of insurance from this company in 1935. Dentists and lawyers were closely in order with average purchases of $5,734 and $5,678 respectively. Next on the list came insurance salesmen who bought policies averaging $4,873 in that year. On this basis businessmen, proprietors, officials, etc., purchased average policies of $4,640 thus ranking fifth on this basis.

The complete analysis as furnished The Financial Post by London Life officials, follows:

ANALYZED BY OCCUPATION OF ORDINARY INSURANCE PLACED IN 1935 BY LONDON LIFE INSURANCE CO.

Occupation:	Number of Policies	Amount of Insurance $	Percentage based on No. %	Percentage based on Amount %	Average Policy $
Students	2,221	3,499,550	15.8	10.0	1,576
Industrial workers	1,485	2,766,571	10.6	7.9	1,863
Businessmen, proprietors, officials, etc.	1,350	6,264,465	9.6	17.9	4,640
Clerical occupations—Male	1,213	3,799,759	8.6	10.8	3,133
Salesmen and commercial travellers	850	2,381,460	6.0	6.8	2,802
Children	773	926,937	5.5	2.6	1,199
Transportation employees	728	1,495,442	5.2	4.3	2,054
Domestic and personal service	561	1,055,537	4.0	3.0	1,889
Housewives	531	793,568	3.8	2.3	1,494
Clerical occupations—Female	461	658,017	3.3	1.9	1,427
Farmers	439	965,806	3.1	2.7	2,200
Teachers and professors	425	1,332,869	3.0	3.8	3,136
Trades	416	903,010	3.0	2.6	2,171
Professional or semi-professional, n.e.c.	343	1,439,864	2.4	4.1	4,198
Farm laborers	305	448,704	2.2	1.3	1,471
Construction employees	297	543,853	2.1	1.6	1,831
Other skilled workers	272	537,137	1.9	1.5	1,975
Laborers	251	492,248	1.8	1.4	1,961
Public service, policemen, firemen, etc.	232	672,183	1.6	1.9	2.897
Doctors	171	1,034,267	1.2	3.0	6,048
Insurance salesmen	167	813,804	1.2	2.3	4,873
Nurses	160	310,631	1.1	0.9	1,941
Salesladies	135	170,184	1.0	0.5	1,261
Lawyers	80	454,201	0.6	1.3	5,678
Dentists	38	217,873	0.3	0.6	5,734
Clergymen	38	144,915	0.3	0.4	3,814
Musicians	35	80,346	0.2	0.2	2,296
Not classified	85	831,935	0.6	2.4	9,787
Total	14,062	35,039,136	100.0	100.0	2,492

Does your wife understand your business?....

Could she learn in a few weeks what it has taken you years to learn?

Could she run your business successfully? Is it fair to make her try?

By *Business Insurance* you can provide for the orderly liquidation of your business interest upon your death, thus protecting yourself, your wife and your business associates.

Consult your Life Insurance Adviser.

This Company acts as Trustee under Business Insurance Trust Agreements.

CHARTERED TRUST AND EXECUTOR COMPANY

34 King St. West, Toronto. 132 St. James St. West, Montreal.

President: JAMES Y. MURDOCH, K.C.

Vice-Presidents: W. S. MORDEN, K.C. JOHN J. GIBSON and Gen. Mgr.

Secretary: E. W. McNEILL

FOR 35 years, through good times and bad, the National Life Assurance Company has made a steadily increasing contribution to the social and economic welfare of the people of Canada.

A. H. BEATON, K.C.
President and Managing Director

NATIONAL LIFE
ASSURANCE CO. OF CANADA
HEAD OFFICE - TORONTO

Assets of The Mutual Life of Canada

At December 31st, 1935

		Amount	Percentage of Total
Bonds		$72,156,391.27	47.28%
Subdivided as follows:			
Governments (Canadian only—Federal & Provincial)	$37,890,811.19		
Municipals	18,465,074.06		
Railways	1,031,601.00		
Public Utilities	6,788,052.24		
Industrials	3,616,594.32		
Parochial and Miscellaneous	4,364,258.46		
Stocks (Preferred and Common)		2,046,205.23	1.34
Mortgages and Sale Agreements: City		29,903,225.16	19.59
Farm		8,575,216.92	5.62
Loans to Policyholders		28,734,113.19	18.83
Real Estate		5,043,570.08	3.30
Cash on Hand and in Banks		967,803.16	.63
Due and Deferred Premiums		2,508,667.01	1.64
Due and Accrued Interest		2,690,331.43	1.76
Other Assets		5,634.03	.01
TOTAL		$152,631,157.48	100.00%

OWNED BY THE POLICYHOLDERS

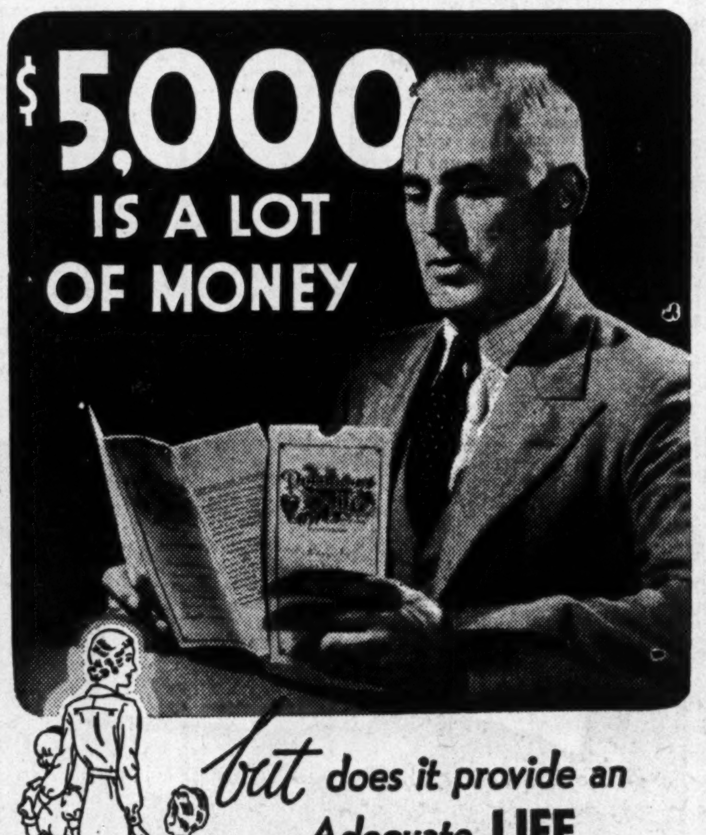
The achievements of the past year add another year of successful operation to the history of this Company—Canada's first and largest Mutual Life Assurance Company. Its large family of policyholders now numbers approximately 145,000, many of whom hold several policies, with an aggregate of 207,000. Mutual Life Protection is found in every section of the Dominion, from Cape Breton to the Yukon, where Canadian homes have been established.

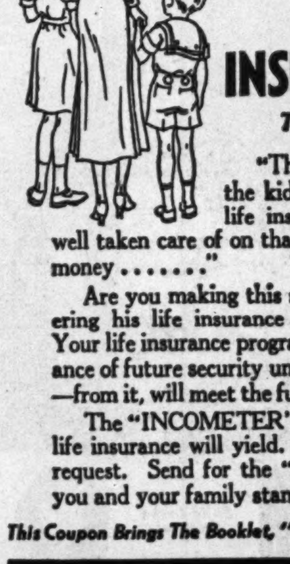
The mutual principle as the fundamental basis of sound and economical life insurance protection has been firmly established by the experience of this Company throughout its entire existence of sixty-six years, as well as by the success of many of the larger life insurance organizations of the world.

Let the Strength of the Mutual be Your Protection

MUTUAL LIFE OF CANADA

Home Office Est. 1869 Waterloo, Ont.





but does it provide an Adequate LIFE INSURANCE INCOME?

The "INCOMETER" Tells You

"That's a fat sum to leave Dorothy and the kids," Jones observed after totalling his life insurance policies. "I guess they'll be well taken care of on that! Five thousand dollars is a lot of money......."

Are you making this same mistake? Jones was not considering his life insurance programme in terms of INCOME. Your life insurance programme does not provide adequate assurance of future security unless the INCOME—as well as the cash—from it, will meet the future needs of your family and yourself.

The "INCOMETER" will compute the income your present life insurance will yield. This handy device is free to you on request. Send for the "INCOMETER"—and find out where you and your family stand!

This Coupon Brings The Booklet, "WHAT IS A LIFE INSURANCE PROGRAMME?

THE DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE • WATERLOO, ONTARIO

Please send me the "INCOMETER" as offered. 55

Name.................................Age.......

Address.................................... 42

FIRST POLICY ISSUED 1889

Sound Progress

Year	Total Assets	Reserves for Policyholders	Total Income	Amount in Force
1923	$ 598,939	$ 156,887	$ 143,539	$ 3,810,770
1929	2,563,307	2,000,203	848,525	22,888,060
1935	6,015,518	4,868,634	1,178,758	27,232,168

THE T. EATON LIFE ASSURANCE COMPANY

HEAD OFFICE — TORONTO, CANADA

Ontario Equitable

Sweeping Changes Planned for 1936 — Further Gains in Past Year Recorded

The most important recent development for Ontario Equitable Life and Accident Insurance Co. was the announcement early in January that during 1936 the company planned:

1. To obtain a federal incorporation in place of its existing Ontario charter.

2. To change its name to Equitable Life Insurance Co. of Canada.

3. To revalue its capitalization on a $25 par value basis, thus releasing $328,000 for shareholders' surplus.

4. To issue participating policies in addition to the non-par business to which the company has devoted its activities in the past.

At the company's annual meeting in February it was announced that these changes "would be formally submitted to shareholders in due course."

Another important change was the resignation of Hon. Charles A. Dunning on his appointment as Minister of Finance at Ottawa, and the appointment as president of the company of Hon. J. L. Ralston, K.C., of Montreal.

Leading Non-par Company

Established 15 years ago with head office at Montreal, Ontario Equitable has become the foremost Canadian company writing strictly non-participating life insurance in Canada. Its business extends to all parts of Canada with the exception of the Maritime Provinces. Since the appointment of M. J. Smith as general manager in 1931, the company has done considerable house-cleaning in its financial and agency operations which now culminates in the radical changes planned for 1936.

The new plan calls for an exchange of existing shares, for new stock of $25 par value on a share-for-share basis, the new stock being paid up to the extent of $5 per share, the other $5 being transferred to shareholders' surplus account.

Comparative figures of the company's capital set-up on a before and after basis are as follows:

ONTARIO EQUITABLE

Capitalization

	Present	Proposed
	$	$
Authorized capital ...	8,000,000	2,000,000
Subscribed capital ...	6,741,600	1,685,400
Paid-in capital	655,586	327,793
Surplus	76,359	404,152
Par value (per share)	100	25
Paid in value (per share)	10	5
Call liability 0per sh.)	90	20

Features of the 1935 annual report show an increase of six per cent in assets to $9.7 millions; a gain in new business issued to $3.7 millions, and a small gain in business in force—the first since 1930. The company set aside over $220,000 for reserves and investment depreciation during the year.

ONTARIO EQUITABLE LIFE & ACCIDENT INS. CO.

Officers—
Hon. J. L. Ralston, K.C., pres.; J. C. Breithaupt, Senator H. W. Laird and J. C. Haight, K.C., vice-presidents; M. J. Smith, gen. mgr.; E. H. McKinney, supt. of agencies; F. B. Relyea, F.A.S., actuary; F. D. Rueffer, treas.; H. E. Power, sec.; H. G. Mistele, asst. treas.; E. R. Batho, asst. actuary; J. R. Fischer, accountant; W. L. Hilliard, medical director; J. C. Haight, K.C., solicitor.

Directors—
Hon. J. L. Ralston, K.C., Montreal, Que.; J. C. Breithaupt, Kitchener; J. C. Haight K.C., Waterloo; Senator H. W. Laird, Regina; H. G. Bertram, Hon. F. C. Biggs, Dundas, Ont.; A. W. Briggs, K.C., H. Begg, Toronto; Hon. H. MacPherson, St. John's, Nfld.; J. A. Martin, Kitchener; E. C. Mitchell, Charles S. Morton, Halifax; W. E. Payne, K.C., Red Deer, Alta.; E. K. Reiner, Wellesley, Ont.; J. M. Walton, Aurora, Ont.

Field of Operations—
Canada, in each province except the Maritimes and in Newfoundland.

Capital—Authorized	$8,000,000
Subscribed	6,741,600
Paid-up	655,586

Growth of Business

Year	Assets $	Business in Force ($ 000)	New ins. Paid for ($ 000)
1922	452,169	13,207	†9,442
1927	4,474,655	36,734	†8,714
1931	8,125,000	51,356	6,326
1932	8,238,516	46,700	2,872
1933	8,606,775	44,023	2,907
1934	9,127,866	40,949	2,940
1935	9,726,741	40,965	*2,642

*Exclusive of annuities.
†Issued business.

Classes of Business Written—

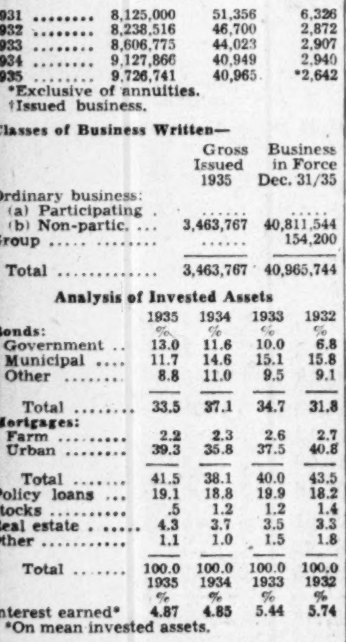
	Gross Issued 1935	Business in Force Dec. 31/35
Ordinary business:		
(a) Participating .	......	.....
(b) Non-partic. ...	3,463,767	40,811,544
Group	......	154,200
Total	3,463,767	40,965,744

Analysis of Invested Assets

	1935	1934	1933	1932
	%	%	%	%
Bonds:				
Government ..	13.0	11.6	10.0	6.8
Municipal	11.7	14.6	15.1	15.8
Other	8.8	11.0	9.5	9.1
Total	33.5	37.1	34.7	31.8
Mortgages:				
Farm	2.2	2.3	2.6	2.7
Urban	39.3	35.8	37.5	40.8
Total	41.5	38.1	40.0	43.5
Policy loans ...	19.1	18.8	19.9	18.2
Stocks	.5	1.2	1.2	1.4
Real estate	4.3	3.7	3.5	3.3
Other	1.1	1.0	1.5	1.8
Total	100.0	100.0	100.0	100.0
	1935	1934	1933	1932
	%	%	%	%
Interest earned*	4.87	4.85	5.44	5.74

*On mean invested assets.

Heads Agency



GEORGE W. LITTLE

Who has been placed in charge of the newly opened ordinary agency of London Life Insurance Co. at Toronto. Mr. Little joined London Life in partnership with C. R. ("Sandy") Somerville and a year ago he was made district supervisor at London.

1935 Summary of Life Insurance in Canada

(Compiled Exclusively by The Financial Post)

CANADIAN COMPANIES (Total Business)
(Ranked According to Total Business in Force at December 31, 1935)

	Began business in Canada	Insurance in force at Dec. 31, 1935	New policies sold (paid-for basis) 1935	Total assets, Dec. 31, 1935	Payments to policy-holders, 1935	Policy payments since incorporation
		$	$	$	$	$
Sun	1871	2,736,960,030	219,076,254	707,052,401	80,284,457	968,614,697
Canada	1847	816,848,853	52,602,927	248,893,105	26,382,110	361,055,895
Great-West	1892	554,133,000	36,210,000	143,595,897	16,195,082	272,363,371
Mutual of Canada	1870	527,372,186	43,688,819	152,631,157	16,234,173	195,164,412
Manufacturers	1887	519,956,595	57,830,000	133,824,000	13,471,898	172,513,465
London	1874	517,006,000	77,131,000	97,215,818	8,350,920	72,655,641
Confederation	1871	387,064,752	47,730,000	106,377,995	12,281,596	145,433,489
Imperial	1897	279,339,000	21,544,000	75,164,000	7,147,331	86,242,812
North American	1881	202,539,161	28,132,723	50,856,223	5,186,871	80,945,160
Crown	1901	156,989,682	27,625,379	23,669,128	2,364,491	21,396,296
Dominion	1889	155,279,029	18,512,394	31,098,871	2,988,629	32,012,937
Excelsior	1890	92,313,319	12,892,000	20,167,181	2,114,522	24,362,262
National	1899	55,447,977	6,783,000	11,775,820	1,285,017	15,048,505
Monarch	1906	54,490,686	5,792,000	11,977,194	1,210,721	10,163,708
Northern	1897	43,816,000	5,373,000	9,641,749	975,004	13,266,719
Ont. Equitable	1920	40,965,744	2,642,000	9,726,741	622,942	5,878,619
Montreal	1910	38,811,242	10,608,000	5,974,845	......	......
Continental	1899	36,857,002	5,193,000	8,344,265	840,319	10,554,739
Sauvegarde	1903	28,296,861	*7,922,134	4,980,518	......	8,770,000
Sovereign	1903	27,468,744	5,065,000	6,120,213	586,093	6,993,829
T. Eaton Life	1920	27,232,000	2,664,000	6,015,016	356,345	2,305,736
Mutual Relief	1875	18,514,931	*1,977,639	5,027,410	......	......
Empire	1923	17,282,594	*2,759,208	3,251,500	202,052	1,107,984
Maritime	1912	13,208,039	1,811,410	1,877,067	87,299	634,287
Commercial	1913	10,250,014	*1,490,478	2,084,655	260,552	2,000,000
Dom. of Canada	1887	9,657,271	1,615,072	1,090,351	......	......
Saskatchewan	1914	8,849,336	1,167,000	2,046,950	224,538	1,837,195
Western	1911	......	......	1,497,018	116,923	......

Note: Comparative figures for British and U. S. companies will appear in a subsequent issue. *Issued business.

Manufacturers Life

Canadian Company With World-wide Organization Now Has $520 Millions of Insurance on Its Books — Half in Canada

With $520 millions of insurance in force at the end of 1935, the Manufacturers Life Insurance Co. ranks fifth among Canadian life companies on the basis of total business in force. Of this total, 49 per cent is in Canada, 17 per cent in the United States, and the remainder distributed throughout all parts of the world.

Manufacturers' Life was established 49 years ago with head office in Toronto. In 1893 the first branch outside Canada was opened at Bermuda. In addition to its United States business, the company now operates in Great Britain, the West Indies, Central and South America, Africa and Asia.

Operations in 1935

Analysis of operations during 1935 shows a gain of $12 millions in business in force due to "a modest increase in new business and an appreciable decrease in amount of business terminated." New business issued totalled $62.7 millions—an increase of 2.2 per cent over 1934. New paid-for insurance in 1935 increased 4.5 per cent to $57.8 millions.

During the year the company showed a substantial increase in single premium and annuity business, while disbursements to policyholders declined considerably due to favorable mortality, smaller dividends to policyholders and a decline in surrender and maturity payments.

At the end of 1935 the company's assets stood at $134 millions—an increase of $9 millions from the preceding year. The bulk of this increase was in government and municipal bonds.

An important change in 1935 was the appointment of M. Ross Gooderham, K.C., general counsel of the company, to the office of president. He succeeded his brother, the late W. G. Gooderham, who died during the year.

MANUFACTURERS LIFE INSURANCE COMPANY

Officers—
M. R. Gooderham, K.C., pres. and gen. counsel; G. G. Mitchell, vice-pres.; J. H. Lithgow, gen. mgr.; E. S. Macfarlane, asst. gen. mgr. and exec. sec.; A. MacKenzie, asst. gen. mgr. and mgr. of agencies; L. A. Winter, treas.; G. L. Holmes, actuary; H. C. Cruickshank, med. off.; R. E. Dowsett, sec.; J. R. Beveridge, H. J. Stowe, asst. actuaries; D. R. MacKenzie, asst. sec.; R. C. Montgomery, asst. med. officer.

Directors—
Representing shareholders—M. R. Gooderham, K.C., G. G. Mitchell, G. H. Cassels, K.C., H. B. Henwood, Col. A. L. Bishop, J. H. Lithgow, all of Toronto.
Representing policyholders—R. A. Daly, F. G. Osler, D. G. Ross, all of Toronto.

Field of Operations—
Canada, states of California, Illinois, Michigan, Ohio, Oregon, Pennsylvania and Washington; also Alaska, Antigua, Bahamas, Barbados, Bermuda, British Guiana, British Honduras, Burma, Ceylon, China, Colombia, Cyprus, Cuba, Curacao, Dominica, Dutch Guiana, Egypt, Federated Malay States, Great Britain and Northern Ireland, Grenada, Guatemala, Haiti, Hawaii, Hong Kong, India, Jamaica, Japan, Java, Kwangtung, Newfoundland, Nicaragua, Palestine, Panama, Canal zone, Philippine Islands, Porto Rico, St. Kitts-Nevis, St. Vincent, Salvador, Siam, South Africa, Straits Settlements, Trinidad, Virgin Islands, Santo Domingo, St. Lucia, Tobago, Cyprus, Chile, Macao, Shantung, Sumatra, Southern Rhodesia, Sudan.

Capital—Authorized	$3,000,000
Subscribed	1,500,000
Paid-up	1,500,000

Dividends Paid on Capital Stock— 10 per cent per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	16,132,947	73,889	12,195
1917	24,585,927	98,129	13,814
1922	42,064,330	217,422	38,162
1927	76,483,180	402,554	70,820
1930	109,027,467	529,985	75,301
1931	115,527,218	542,450	69,217
1932	117,786,626	526,253	57,975
1933	119,459,942	504,681	48,789
1934	124,822,028	508,079	55,310
1935	133,824,000	519,957	57,830

Classes of Business Written—

	Gross Issued 1935	Business in Force Dec. 31/35
	$	$
Ordinary business:		
(a) Participating ..	38,149,760	405,506,868
(b) Non-partic. ...	24,149,962	105,957,916
Group	438,182	8,491,811
Total	62,737,904	519,956,595

*Includes sinking fund and capital redemption policies.

Analysis of Invested Assets

	1935	1934	1933	1932
	%	%	%	%
Bonds:				
Government ...	27.3	24.8	18.2	14.1
Municipal	12.1	11.6	14.4	13.1
Other	12.8	13.3	11.7	15.1
Total	52.2	49.7	44.3	42.3
Mortgages*	21.6	24.3	27.3	29.6
Policy loans	16.0	17.9	20.1	21.3
Stocks	4.0	2.5	2.0	2.1
Real estate	4.4	4.2	3.4	3.0
Other	1.8	1.4	2.9	1.7
Total	100.0	100.0	100.0	100.0

*Of the 1935 total approximately 72.4% were on city properties; 27.6% on farms.

	1935	1934	1933	1932
	%	%	%	%
Interest earned*..	4.87	5.14	5.07	5.02

*On mean invested assets.

Prudential, Eng.

English Company Shows Fast Growth—Insurance in Force Sharply Higher

A very substantial increase in insurance in force in Canada is reported for 1935 by the life branch of Prudential Assurance Co. of England. The total at the end of the year was over $15 millions compared with $11.8 millions at the end of 1934. This volume of business has been placed by the company entirely during the five years it has been operating in Canada.

Established in London, England, almost 90 years ago, the Prudential Assurance is now the largest insurance organization in the British Empire. Last year the company completed its fifth year of operation in the Dominion in the life insurance business. Although all the business written in Canada is on the ordinary plan, the bulk of the company's British business is industrial.

In addition to life insurance, Prudential of England transacts almost every form of insurance, its operations in Canada embracing life, fire, automobile and casualty business.

Head office for Canada is at Montreal and life branches have been established in the leading cities of Ontario and Quebec.

No figures for the company's entire operations in 1935 are available but total assets are known to have exceeded the $1.5 billion mark.

Prudential Co. of England
Head Office—London, Eng.
Head Office in Canada—465 St. John St., Montreal.

Growth of Business in Canada

Year	Assets $	Liabs. in Can. $	Business in force ($000)	New ins. pd. for ($000)
1930	168,869	11,354	236	151
1931	185,438	211,786	2,907	2,570..
1932	1,168,997	467,843	5,685	3,284
1933	1,587,677	820,045	8,224	3,649
1934	2,216,670	1,313,711	11,753	4,471
1935	1,989,503	1,912,192	15,097	4,025

Classes of Business Written (In Canada):

(Life Branch)	Issued 1935	Business in Force Dec. 31 1935
Ordinary business:	$	$
(a) Participating ...	4,489,254	10,189,428
(b) Non-partic.		3,559,138
Group	490,000	1,348,500
Total	4,979,254	15,097,066

Entire Operations

	Assets $	Business in Force ($000)	New Ins. Paid for ($000)
1931 ...	1,232,072,970	3,563,114	440,612
1932 ...	1,266,675,252	3,601,014	414,418
1933 ...	1,329,333,545	3,726,942	428,822
1934 ...	1,368,870,570	3,839,191	429,322
1935—Not yet available.			

	1935	1934	1933	1932
	%	%	%	%
Interest earned† ..	4.96	4.75	5.13	5.59

(Ordinary branch funds).
† On mean invested assets.

T. Eaton Life

Assets, New Business and Business in Force All Reported Higher

Originally incorporated under a Dominion license in 1920 to carry group insurance on the employees of The T. Eaton Co., The T. Eaton Life Assurance Co. later dropped this plan and canvassed employees for ordinary insurance.

With the addition of business written outside the store, total insurance now in force stands at $27,232,000, an increase of four per cent over the 1934 figure. New business written in 1935 amounted to $2,763,000 which was six per cent higher than the amount written in 1934.

The company issues all standard plans of insurance, including retirement income bonds. On employees' lives, non-participating insurance is written almost entirely, while business written outside the store is largely participating.

T. EATON LIFE ASSURANCE CO.

Officers—
R. Y. Eaton, pres.; H. McGee, 1st vice-pres.; J. J. Vaughan, 2nd vice-pres. & sec.-treas.; J. A. Livingstone, manager; A. E. Harkness, A.A.S., actuary.

Directors—
Shareholders' directors — R. Y. Eaton, H. McGee, J. J. Vaughan, Lady Eaton, all of Toronto; H. M. Tucker, Winnipeg; T. A. McCrea, J. D. Eaton, J. A. Livingstone, all of Toronto.
Policyholders' directors — J. E. Dodds, Montreal; J. Elliott, J. G. McKee, T. C. Musgrave, all of Toronto; C. H. Boothe, Hamilton.

Capital—Authorized	$500,000
Subscribed	250,000
Paid-up	100,000

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1922	331,810	1,848	685
1927	1,413,351	12,903	4,351
1930	3,180,546	26,305	5,095
1931	3,776,000	27,070	3,527
1932	4,452,397	26,203	2,531
1933	4,822,426	25,505	2,178
1934	5,368,532	26,129	2,501
1935	6,015,016	27,232	2,664

Classes of Business Written—

	Issued 1935	Business in Force Dec. 31/35
Ordinary business:	$	$
(a) Participating ..	169,321	5,773,283
(b) Non-partic. ...	2,593,699	21,458,885
Total	2,763,020	27,232,168

Analysis of Invested Assets

	1935	1934	1933	1932
	%	%	%	%
Bonds:				
Government ...	31.5	26.5	27.3	20.2
Municipal	10.3	10.6	7.5	5.0
Other	9.9	9.9	10.3	13.2
Total	51.7	47.0	45.1	38.4
Urban mtges. ...	26.9	32.7	35.0	40.0
Policy loans	10.9	11.0	9.9	9.2
Stocks	6.8	6.2	6.8	8.3
Real estate	3.3	2.7	2.0	.7
Cash	.4	.4	1.2	3.4
Total	100.0	100.0	100.0	100.0
	1935	1934	1933	1932
	%	%	%	%
Interest earned*..	5.17	5.18	5.41	5.70

*On mean invested assets.

North American Life

New Insurance Volume During 1935 Increased by 31 Per Cent — Business in Force Crosses $200 Millions Mark at Year-end

A gain of 31 per cent in new paid-for insurance during 1935 featured the recent annual report of North American Life Assurance Company. Last year's volume totalled $28.1 millions. Business in force was also higher by over five per cent at $202.5 millions.

North American Life was originally incorporated under Federal charter in 1879 as a mutual company, but until 1931 had never operated as such, the change being made prior to the company's commencing to write business.

In 1931, the company made insurance history by being the first regular "line" life insurance company in Canada to mutualize. This mutualization was achieved by merely refunding to shareholders the approximate value of their stocks, involving a consideration of $1,275,000. Shortly after this change the company announced its decision to erect a new head office building on the site of its present headquarters at King Street, Toronto.

Analysis of the company's assets in 1935 shows a total of $50.9 millions, of which $24.7 millions is bonds and $10.3 millions mortgages. During 1935, book values of bonds debentures and stocks were reduced by $870,000, the company reporting that the valuations shown in the report were on a basis more conservative than the actual year-end market values, and that there was an actual excess of more than $1 million over the valuation shown in the company's books.

NORTH AMERICAN LIFE

Officers—
Thomas Bradshaw, pres.; C. W. I. Woodland, Frank A. Rolph, A. J. Mitchell, vice-pres.; D. E. Kilgour, gen. mgr.; E. J. Harvey, supt. of agencies; W. G. Gallow, sec.; A. F. Hall, actuary, M. A. Bradshaw, treas.; J. A. McCamus and E. H. Hanley, supervisors of agencies; W. M. Anderson, supervisor of field service; T. M. Sargant, agy. aud.; H. Gowan, Ardagh and J. T. Bryden, asst. treas.; J. F. Wells, registrar; W. J. Burgar and C. P. Milne, asst. secs.; George Ryrie, asst. act.; T. D. Archibald, M.D., med. dir.; J. G. Falconer, M.D., asst. med. dir.

Directors—
Thomas Bradshaw, C. W. I. Woodland, C. L. Burton, F. S. Corrigan, Hon. G. S. Henry, A. J. Mitchell, F. A. Rolph, D. E. Kilgour, W. B. Taylor, Toronto; G. H. A. Montgomery, K.C., Montreal; Hon. L. A. Taschereau, Quebec, P.Q.; Hector McInnes, K.C., Halifax; E. W. Kneeland, Winnipeg; W. E. Buckingham, K.C., Guelph.

Field of Operations—
Canada, Newfoundland, Bermuda, Bahamas, British West Indies, the states of Michigan and Washington, U.S.A.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1914	14,915,629	54,327	6,540
1919	18,869,150	84,595	19,303
1924	27,246,028	126,625	19,797
1929	42,135,402	190,210	25,716
1930	45,221,900	192,535	21,068
1931	46,855,331	196,565	24,304
1932	47,298,771	193,053	20,018
1933	46,758,032	188,634	18,706
1934	48,613,307	192,020	21,492
1935	50,856,223	202,539	28,133

Classes of Business Written—

	Issued 1935	Business in Force Dec. 31/35
Ordinary business:	$	$
(a) Participating ..	30,544,161	199,392,446
(b) Non-partic. ...		
Group	850,000	3,146,715
Total	31,394,161	202,539,161

Analysis of Invested Assets

	1935	1934	1933	1932
	%	%	%	%
Bonds:				
Government ...	24.4	19.2	16.6	14.7
Municipal	16.2	17.3	16.2	15.5
Other	9.5	9.6	9.1	10.8
Total	50.1	46.1	41.9	41.0
Mortgages:				
Farm	2.7	2.9	3.1	3.3
Urban	18.9	21.3	22.6	24.6
Total	21.6	24.2	26.7	27.9
Policy loans	16.6	17.7	19.1	18.6
Stocks	6.3	7.5	8.3	9.3
Real estate	3.8	3.8	3.4	2.9
Other	1.6	.7	.6	.3
Total	100.0	100.0	100.0	100.0
	1935	1934	1933	1932
	%	%	%	%
Interest earned*..	5.28	5.24	5.38	5.70

*On mean invested assets.

Canada's Trade

Canada's domestic exports during 1935 amounted to $729,294,000 compared with $653,312,000 in 1934, an increase of $75,982,000 or 11.6 per cent. Imports in 1935 amounted to $550,315,000 compared with $513,469,000 in 1934, an increase of $36,846,000 or 7.2 per cent.

STABILITY

"The Crown Life has completed another excellent year. Its progress during 1935 and the immediately preceding years inspires the utmost confidence in its vigour and stability."—*Sir Robert Borden at the Annual Meeting.*

1935—Key Figures of Annual Report—1935

Insurance-in-Force Increased to **$156,989,682**
Assets Increased to **$23,669,128**
Free Surplus Increased to **$1,094,334**
Insurance Issued Increased to **$29,590,884**
Cash Receipts Increased to **$6,601,180**
Cash Payments Increased to **$3,947,423**

Assets	%
First Mortgages on Real Estate	37
Government and Municipal Bonds	31
Public Utility and Industrial Bonds	6
Preferred and Common Stocks	2
Loans on Company's Policies	14
Home Office and other Real Estate	3
Cash and Other Assets	7
	100
Average Interest Received	5.54%

CROWN LIFE INSURANCE COMPANY
Established 1900 — Home Office Toronto
Rt. Hon. Sir Robert L. Borden, *President* — H. R. Stephenson, *General Manager*
Toronto Branch Offices: Crown Life Bldg., 55-59 Yonge St. Central Bldg., Richmond St. West, Toronto, Canada.

65 Years of Security and Stability to Policyholders

ASSETS NOW EXCEED $106,000,000

INSURANCE IN FORCE EXCEEDS $387,000,000

For Maximum Life Insurance Protection at minimum cost—consult

Confederation Life Association
Head Office Toronto

PROGRESS IN 1935

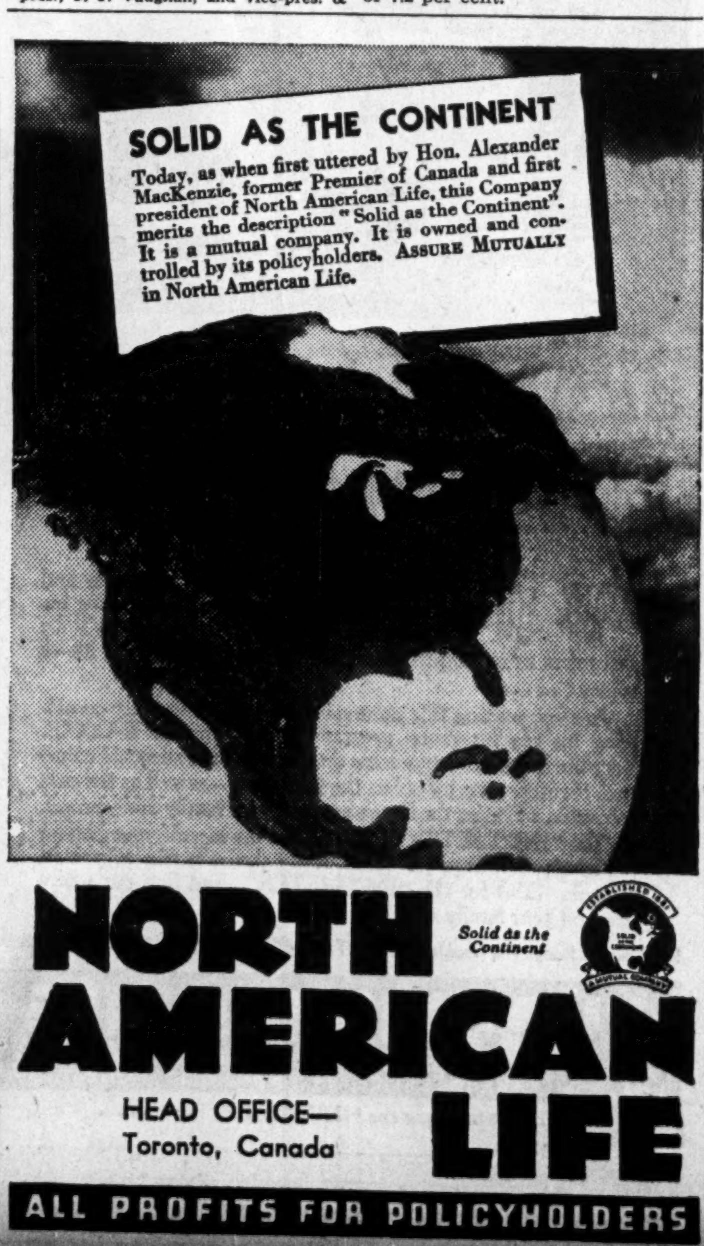
The past year was one of very definite advancement for the Sovereign Life in all departments of the business:

New Insurance — Increase 21.9%
Insurance in Force — Increase 6.5%
Policy and Annuity Reserves— Increase 4.3%
Total Assets — Increase 4.6%

Other features of the year were: Satisfactory surplus earnings, improved interest returns, exceptionally favorable mortality and extensive agency development.

Special reserves and surplus for protection of policyholders (exclusive of paid-up capital), $598,265.00.

THE SOVEREIGN LIFE ASSURANCE COMPANY OF CANADA
Head Office, Winnipeg, Canada



NORTH AMERICAN LIFE
Solid as the Continent
HEAD OFFICE— Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

"In either case, my Life Insurance will take the place of earnings and provide financial independence.

"IF I LIVE past the time when I can earn, my Life Insurance will give me a sure income for an independent old age.

"On the other hand, IF I SHOULD NOT LIVE long enough to build up a substantial estate for my loved ones, the same Life Insurance will do for them what I had planned."

The London Life has a policy which will give you this twofold service—create an estate for your family if you do not live long enough, or for yourself if you live to retirement age.

If interested in a financial independence plan for yourself, get particulars about The London Life's new and interesting proposition. Full information is available at all Branch Offices; or consult your London Life representative.

Established 1874
London Life Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE - LONDON, CANADA

Sun Life of Canada

Total Assets Reach New High Mark at $707 Millions — 31 Per Cent of Assets Now Invested in Bonds

A new high mark for total assets of $707 millions was reported at the end of 1935 by Sun Life Assurance Co. of Canada. The increase for the year was approximately six per cent and is attributed in part to a gain of over one third in the company's bond account, bringing that item to approximately 32 per cent of total assets.

Sun Life of Canada is not only the largest institution of its kind in the Dominion, but is one of the top-ranking insurance companies in the world. Its operations extend to most world countries, except Australia and Continental Europe. Latest available figures show approximately 70 per cent of the company's total business in force to be outside of Canada. This is distributed among 30 or more countries, and in 42 states of the U. S.

Began in 1865

The company first began business in 1865 under the title "Sun Insurance Company of Montreal," it being intended at that time that a general insurance business would be carried on. A further change brought the name "Mutual Insurance Company of Montreal," its business at that time being confined to life and accident insurance, and the first policy written in 1871. Both life and accident insurance were written until 1893, when the change to a strictly life company was made.

Operations in 1935

Analysis of the company's new business in 1935 shows a decline of seven per cent to $219 millions. Substantial improvement was made, however, in group insurance sold, which increased 23 per cent to $14 millions.

Total business in force at the end of the year showed a small decline to $2.7 billions, the decrease being due almost entirely to reassurance during the year of the company's business in Mexican territories. A considerable decline was noted in consideration received for annuities, which dropped almost 29 per cent to $12.7 millions.

Receipts from new business were maintained about the same volume as in the previous year, although renewal income declined by 13 per cent. Receipts from dividends, interest, rents and so forth improved by nine per cent. Net declines in total income were more than offset, however, by a substantial decrease in disbursements.

Analysis of assets discloses that bulk of the company's funds are still invested in common stocks, although the proportion of these to total assets is steadily decreasing, and now amounts to but 43 per cent.

Improvement of earning power during 1935 is indicated by an increase of 13 per cent in surplus earnings to $24.1 millions, of which $10.4 millions was distributed to holders of participating policies, the balance being applied to further increasing reserves and writing down security values which are carried in the balance sheet on the basis authorized by the Federal Insurance Department.

Officers—
Arthur B. Wood, F.I.A., F.A.S., pres. and man. dir.; E. A. Macnutt, vice-pres. and treas.; C. S. V. Branch, 2nd vice-pres.; H. Warren K. Hale, secy.; G. W. Bourke, actuary; J. J. Cooper, comptroller; J. B. Mabon, C. D. Rutherford, assoc. actuaries; H. P. Thornhill, assoc. treas.; A. M. Campbell, F. J. Cunningham, A. A. Tousaw, asst. actuaries; E. E. Duckworth, E. L. Earl, D. L. Macaulay, H. M. Moore, asst. secys.; J. W. Brown, G. R. Mackay, asst. treas.; J. A. Clague, R. A. Taylor, asst. comptrollers; W. S. Penny, J. S. Ireland, F. D. Macorquodale, B. C. Thompson, supts. of agencies; Geo. H. Harris, supt. of field service; C. E. Reid, supt. group dept.; G. T. Bryson, R. C. Grant, V. B. Harris, C. H. Heyl, M. Macaulay, J. A. McAllister, asst. supts. of agencies; A. C. Coughtry, asst. supt. group dept.; H. L. Jones, asst. supt. of field services; J. W. Simpson, supt.-at-large; J. A. Ewing, K.C., legal adviser; Dr. C. C. Birchard, chief med. officer; Drs. J. Keith Gordon, Arthur W. Young, asst. med. officers; Dr. W. F. Hamilton, consult. med. referee; H. O. Leach, gen. mgr. British dept.; I. A. Miller, resident actuary, British dept.

Directors—
Representing shareholders: A. B. Wood, E. A. Macnutt, R. Adair, Sir E. W. Beatty, Sir H. S. Holt, T. B. Macaulay, (chairman emeritus), J. W. McConnell, C. Riordon, Hon. L. C. Webster, all of Montreal; Hon. L. A. Taschereau, Quebec.
Representing policyholders: W. M. Birks, Hon. R. Dandurand, K.C., R. H. McMaster, A. B. Purvis, J. W. Ross, all of Montreal.

Field of Operations—
Canada, Newfoundland, Bermuda, 42 states, districts and terirtories of the U. S. A.; Cuba, Porto Rico, Santo Domingo, Haiti, Philippine Islands, British Honduras, Guatemala, British West Indies, Curacao, British, French and Netherlands Guiana, Peru, Chile, Argentine Republic, Great Britain, Irish Free State, Malta, Siam, Syria, Palestine, Union of South Africa, Southern Rhodesia, Egypt, India, Burma, Ceylon, Straits Settlements, Netherlands East Indies and West Indies, Federated Malay States, China, Japan and Hong Kong.

Capital—Authorized	$4,000,000
Subscribed	2,000,000
Paid-up	2,000,000

Shareholder Dividends—None paid since 1932.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	49,605,616	183,147	30,688
1917	90,160,174	313,088	47,686
1922	174,088,858	633,973	89,661
1927	401,305,884	1,533,910	328,408
1930	588,733,632	2,924,435	705,679
1931	624,804,455	3,109,071	527,939
1932	611,436,153	2,928,952	284,099
1933	624,146,035	2,770,454	216,567
1934	655,378,716	2,748,725	236,216
1935	707,052,401	2,736,960	219,076

Classes of Business Written—

	New Bus. 1935 $	Business in Force Dec. 31/35 $
Ordinary business: Participating	205,044,000	2,115,046,843
Non-par		263,869,578
Group	14,032,000	358,043,609
	219,076,000	2,736,960,030

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government	16.3	12.3	8.2	6.6
Municipal	3.1	2.2	2.2	2.2
Other	12.4	10.7	9.3	10.6
Total	31.8	25.2	19.7	19.4
Mortgages:				
Farm	.2	.3	.4	.4
Urban	3.7	3.9	4.3	4.5
Total	3.9	4.2	4.7	4.9
Policy loans	13.3	15.0	16.4	16.5
Stocks	43.3	47.9	51.4	53.3
Real estate	4.3	4.4	4.5	4.5
Other	3.4	3.3	3.3	1.4
Total	100.0	100.0	100.0	100.0

Interest Earnings—

	1935 %	1934 %	1933 %	1932 %
Rate*	4.11	4.06	4.08	4.22

La Sauvegarde

Organized in 1903 with head office at Montreal, La Sauvegarde Life Insurance Co. operated under Quebec license for nine years and then was licensed under Dominion supervision. The company is the leading French-Canadian life insurance company operating in Canada.

Analysis of 1935 figures shows a substantial gain in total business in force to over $28 millions, while assets are also higher. New policies issued amounted to $7.9 millions. Of total assets, 34 per cent are invested in bonds and 26 in first mortgages.

Officers—
Narcisse Ducharme, pres. and mgr.; L. M. Lymburner, 1st vice-pres.; Alphonse Milette, 2nd vice-pres.; Jean Pasquin, sec.; Pierre Camu, actuary.

Directors—
Representing shareholders: Narcisse Ducharme, L. M. Lymburner; C. A. Roy, all of Montreal; Alphonse Milette, Terrebonne, Que.; Paul Drouin, K.C., Quebec.
Representing policyholders: R. R. Bachand, N.P., Waterloo, Que.; Adjutor Cote, N.P., Montreal; Arthur Vallee, K.C., Outremont.

Capital—Authorized	$2,000,000
Subscribed	1,196,000
Paid-up	232,440

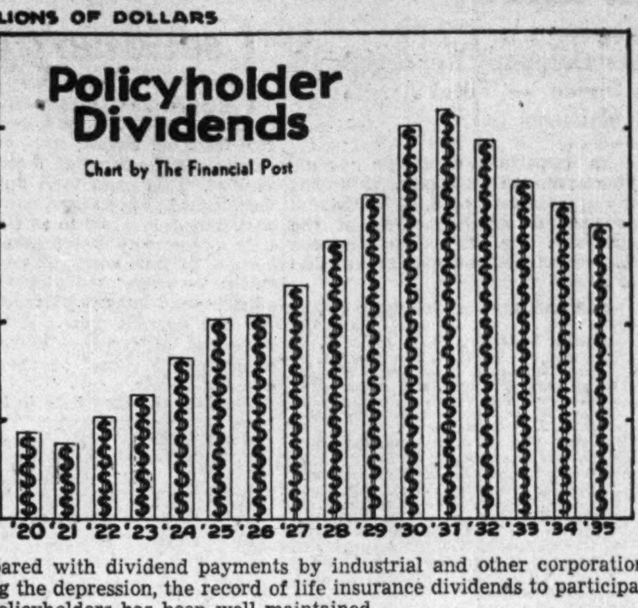
Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1931	4,631,409	30,891	3,960
1932	4,832,500	28,422	3,500
1933	4,816,372	26,931	2,978
1934	4,930,047	25,681	3,115
1935	4,980,518	28,297	......

	1934 %	1933 %	1932 %	1931 %
Interest earned*	5.48	5.70	6.17	6.05

*On mean invested assets.

Life Insurance Dividends Well Maintained



Compared with dividend payments by industrial and other corporations during the depression, the record of life insurance dividends to participating policyholders has been well maintained.

The 1935 distribution to Canadian policyholders (estimated by The Financial Post) is placed at $30 millions compared with $32.1 millions in 1934 and $42 millions in the peak year of 1931.

Great-West Life

Insurance in Force of $554 Millions Ranks Company as Third Largest Canadian Institution — Assets $144 Millions

With total assets of $144 millions and business in force of $554 millions, Great-West Life Assurance Co., with head office in Winnipeg, ranks third among Canadian companies in amount of business in force

The company carries on the bulk of its operations within the Dominion, although in recent years considerable business has been developed in the five states of the Union adjacent to the Canadian border. Latest available figures show approximately 16 per cent of total business in force to be outside the Dominion.

Bond Holdings Increase

Analysis of the company's assets shows a substantial increase in bond and debenture holdings, these constituting almost 44 per cent of total assets at the end of 1935, compared with a corresponding figure of but 33 per cent five years ago.

Analysis of operations in 1935 shows new business (paid-for basis) to be one-third less than in 1934 at $36.2 millions. This decline is accounted for by the fact that in 1934 the company wrote a substantial volume of group insurance in the United States which gave it a total group sale in that year of over $18 millions. Total group business in 1935 was $601,000. New volume of ordinary issued in 1935 (apart from group) was only slightly less than the corresponding figure in 1935.

GREAT-WEST LIFE ASSURANCE CO.

Officers—
G. W. Allan, K.C., pres.; R. T. Riley and M. F. Christie, vice-pres.; C. C. Ferguson, gen. mgr.; E. A. Brock, sec.; F. D. MacCharles, asst. gen. mgr. and actuary; H. W. Manning, asst. gen. mgr.; A. J. D. Morgan, asst. gen. mgr.; C. E. Trimmer, treas.

Directors—
Representing shareholders: G. W. Allan, K.C., R. T. Riley, H. E. Sellers, S. L. Cork, W. H. McWilliams, Col. H. F. Osler, J. A. Richardson, all of Winnipeg; Hon. T. A. Crerar, Clandeboye, Man.
Representing policyholders: F. E. Halls, N. J. Breen, M. F. Christie, W. P. Riley, all of Winnipeg.

Field of Operations—
Canada, North Dakota, Minnesota, Michigan, Illinois and Washington, U.S.A.

Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	1,000,000

Dividends Paid—20% per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	12,251,932	83,979	......
1917	24,385,666	152,643	29,164
1922	49,198,255	318,607	46,467
1927	94,909,289	502,545	66,418
1931	135,571,241	616,536	50,750
1932	135,738,365	580,537	39,184
1933	134,762,166	552,294	43,262
1934	138,245,129	554,363	54,091
1935	143,595,897	554,133	36,210

Analysis of Assets (Ledger)

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government	23.5	18.9	15.4	12.1
Municipal	7.5	6.9	7.0	7.6
Other	12.8	14.1	13.1	14.3
Total	43.8	39.9	35.5	34.1
Mortgages:				
Farm	15.1	16.3	14.8	15.2
Urban	17.8	19.5	20.9	21.8
Total	32.9*	35.8*	35.7	37.0
Policy loans	18.9	20.4	22.1	22.7
Stocks	.4	.4	.4	.4
Real estate	2.8	2.7	2.2	2.1
Other	1.1	.8	1.0	1.0
Total	100.0	100.0	100.0	100.0

*Includes agreements of sale which in 1933 totalled 3%; in 1932 2.76%.

Type of Business Written—

	Issued 1935 ($ 000)	Business in Force Dec. 31/35 ($ 000)
Ordinary business: (a) Participating	19,665	402,729
(b) Non-partic.	20,814	116,455
Group	601	34,949
Total	41,080	554,133

	1935 %	1934 %	1933 %	1932 %
Interest earned*	4.73	4.90	5.41	4.73

*On mean invested assets.

Saskatchewan

Saskatchewan Life with head-office at Regina operates only in the Prairie Provinces and British Columbia. It commenced business in 1914.

New business issued in 1935 increased 23 per cent while business in force rose $305,000 to $8.5 millions. New insurance on a paid-for basis was higher by 7.4 per cent.

Officers—
C. M. Willoughby, pres.; D. Low, M.D., 1st vice-pres.; G. H. Barr, K.C., 2nd vice-pres.; M. B. Farr, gen. mgr.; W. F. Curell, sec.

Directors—
Representing shareholders: D. Low, M.D., G. H. Barr, K.C., W. H. Duncan, J. A. Cross, M. B. Farr, A. E. Whitmore, C. M. Willoughby, T. A. Wilson, all of Regina.
Representing policyholders: I. H. Bowman, Regina; W. E. Kirsch and Dr. J. W. Sifton, Moose Jaw; G. C. Thomson, Swift Current.

Capital—

Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	100,000

Dividend Paid—5% per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New ins. Paid for ($ 000)
1931	2,197,000	10,380	851
1932	2,200,318	10,118	1,023
1933	2,203,954	9,111	907
1934	2,064,910	8,184	1,087
1935	2,046,950	8,489	1,167

Classes of Business Written—

	Gross Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business: (a) Participating	1,760,000	7,520,889
(b) Non-partic.	349,000	858,447
Group	......	110,000
Total	2,109,000	8,489,336

Royal Insurance Company Has $23,000,000 in Force

At the end of 1934 the life branch of Royal Insurance Co. of England had $24 millions of insurance in force in Canada while new business issued in that year was over $2 millions. No 1935 figures are available.

Western Life

Western Life Assurance Co. has been operating in Western Canada since 1911 and now carries on business in Ontario as well as in the four western provinces.

At the end of 1935 total assets stood virtually unchanged from the previous year at $1.5 millions. No figures are available as yet covering volume of business written but the total was slightly lower than in 1934. Business in force at the end of 1934 totalled $6.9 millions.

Officers—
J. M. Carruthers, president; W. E. Milner, vice-president and manager; R. H. Hamlin, 2nd vice-pres.

Directors—
W. E. Milner, W. H. Milner, Wm. Bourke, J. M. Carruthers, R. M. Simpson, M.D., W. M. McGeachey, R. H. Hamlin, C. W. Prowd, M.D., R. Jacob, K.C.

Field of Operations—
Ontario, Alberta, Manitoba, British Columbia, Saskatchewan.

Capital—

Authorized	$1,000,000
Subscribed	690,200
Paid-up	138,040

Growth of Business

Year	Assets $	Business in Force $	New Ins. Paid for $
1931	1,789,398	8,731,955	1,269,600
1932	1,783,383	8,077,694	1,512,010
1933	1,600,671	7,195,852	1,389,685
1934	1,497,112	6,869,890	596,711
1935	1,497,018	......	......

Western Empire Life Established 24 Years

Western Empire Life Assurance Co., with head office at Winnipeg, has been operating in Canada for 24 years. At the end of 1934 the company had over $7 millions of life insurance in force.

Analysis of the company's assets in 1934 showed over 60 per cent invested in mortgages, real estate and agreements for sale.

No figures for 1935 are available as yet.

A PROGRESSIVE COMPANY

Assets

Bonds and Debentures	34%
First Mortgages on Real Estate	26%
Loans on Company's Policies	17%
Home Office and Real Estate	11%
Preferred and Common Stocks	6%
Cash on Hand and Other Assets	6%
	100%

Average rate of interest earned 5.35%

New Policies Issued $7,922,134
Insurance in Force $28,296,861
Assets $4,980,518
Income $1,047,476
Surplus and Special Reserves $700,370
Paid to Policyholders to Date $8,770,000

La Sauvegarde Life Insurance Company

Narcisse Ducharme, *President*
152 Notre Dame St. E.
Phone HArbour 7221
Montreal

Montreal Life

Gain of 10 Per Cent on Paid-for Business — Highest Since 1932

A gain of ten per cent in new business sold on a paid-for basis is reported by Montreal Life Insurance Company for 1935. Business in force increased to $38.8 millions, the highest figure since 1932.

Montreal Life was established in Canada in 1908 as the Travellers Life Assurance Company of Canada. Nineteen years later, the name was changed to the present title. With head office in Montreal, the company operates under a federal charter, and since 1929 has been controlled by the Atlas Assurance Company, of London.

Total assets at the end of 1935 almost reached the $6 million mark. The most important change in the company's investment holdings was a substantial increase in stocks held, which rose from half of one per cent of total assets at the end of 1934 to 7.3 per cent of the total at the end of 1935.

Officers—
Arthur P. Earle, A.I.A., A.A.S., pres.; Haines B. Wickes, F.A.S., sec. and actuary; J. A. Toller, asst. sec.-treas.

Directors—
Arthur P. Earle, A.I.A., A.A.S., pres.; C. E. Sanders, vice-pres.; J. V. Desaulniers, vice-pres.; Hon. J. P. B. Casgrain, Lyon Cohen, H. Cypihot, M.D., F. Wilson Fairman, Cecil Hugh Falloon, F.C.I.I., C. G. Greenshields, K.C., Hon. R. O. Grothe, S. W. Jacobs, K.C., M.P., William Penman, F.I.A., Jas. W. Pyke, René Redmond, William S. Walton.

Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	250,000

Dividends—None being paid.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New ins. Paid for ($ 000)
1931	5,643,509	40,851	12,020
1932	5,777,336	39,628	10,034
1933	5,446,115	36,770	7,848
1934	5,563,546	37,266	9,581
1935	5,974,845	38,811	10,608

	1935 %	1934 %	1933 %	1932 %
Interest earned*	5.26	5.51	5.54	5.85

*On mean invested assets.

Prudential, U. S.

Prudential Insurance Co. of America was granted a Canadian license to transact life business in 1908 and commenced writing in Canada the following year. Ordinary and industrial insurance was written for 20 years before group was added in 1929.

Business in force at Dec. 31, 1935, in the Dominion totalled $497.6 millions of which $230 millions was ordinary insurance, $13 millions group and $254 millions industrial. Ordinary business is all on a participating basis. New insurance paid for in Canada in 1935 totalled $169.7 millions.

Total assets in Canada at the end of 1935 amounted to almost $98 millions, while at the end of 1935 the company had over $78 millions on deposit with the Receiver-General at Ottawa for the sole protection of the company's Canadian policyholders.

Bacon Shipments

Bacon shipments to the British Isles in 1935 totalled 125,000,000 pounds, or about 5,000,000 pounds more than during 1934.

Metropolitan

World's Largest Life Insurance Institution Leads All Companies in Business in Force in Canada — Industrial and Group Volume Higher in 1935

Features of Canadian operations of Metropolitan Life in 1935 were an increased volume of industrial and group insurance business. Due to a lower volume of ordinary business being written, total new insurance placed in Canada declined 4 per cent to $119.5 millions (paid-for basis) according to figures released by the company to The Financial Post this week.

Total assets in Canada are higher by $10 millions while a small increase is shown in total business in force in Canada which now stands at just over the billion dollar mark.

Metropolitan Life Insurance Co. with head office in New York, has more business in force in the Dominion than any other life insurance company, Canadian or foreign. It is the only company to carry a billion dollars of insurance in force in Canada.

The Canadian head office is maintained at Ottawa. The company has been doing business in Canada for 65 years.

Industrial business in Canada in 1935 totalled $58 millions, an increase of 8 per cent over 1934. Group sales at $2.4 millions were 72 per cent greater than a year ago. Ordinary business to the amount of $58.8 millions was sold—a decline of 15 per cent from 1934. In all three types of business the company showed an increase in business in force.

On the company's entire operations a substantial gain in business in force was reported, the 1935 total being $20.3 billions. New business paid for was slightly less than in 1934 at $2.3 billions. Assets increased by $200 millions, thus maintaining the company's reputation as not only the largest insurance company in the world but also the outstanding corporate institution in any field.

Home Office—1 Madison Ave., New York City.
Head Office in Canada—180 Wellington St., Ottawa, Ont.

Classes of Business Written (in Canada)

	Paid Bus. 1935 $	Business in Force Dec. 31, 1935 $
Ordinary bus.	58,785,835	584,835,518
Group	2,417,898	73,472,692
Industrial	58,300,991	380,046,360
Total	119,504,724	1,038,354,570

Growth of Business in Canada

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for $
1912	13,812,294	105,481	36,859,000
1917	30,524,939	222,214	54,519,000
1922	75,493,131	480,562	113,574,000
1927	141,703,193	769,270	175,803,000
1931	231,037,000	1,036,138	158,016,031
1932	234,815,254	1,030,991	139,976,358
1933	241,323,302	1,008,213	128,906,308
1934	263,118,131	1,022,860	124,309,462
1935	273,494,346	1,038,355	119,504,724

Entire Operations (U. S. and Canada)

Total assets	$ 4,234,802,511
Total business in force, Dec. 31, 1935	20,269,350,000
Total new insurance paid for, 1935	2,305,595,000

	1935 %	1934 %	1933 %	1932 %
Interest earned*	4.08	4.42	4.70	5.08

*On mean invested assets.

Commercial

Policyholder Dividends Increased 10 Per Cent For 1936 — Business Gains

An increase of 7.8 per cent in new business written; a gain of 3.5 per cent in assets and an addition of $237,000 to business in force is reported by Commercial Life Assurance Co. of Edmonton in its 1935 annual statement.

In view of the satisfactory nature of the year's operations the company has announced an increase of 10 per cent in policyholder dividends during 1936, according to J. W. Glenwright, managing director of the company.

Assets at the end of the year totalled $2.1 millions, the company showing all bonds, debentures and stocks at actual market values or less for the first time in several years. Of total assets, $557,000 is in mortgages; $685,000 in bonds, debentures; $238,000 in stocks. Policyholder loans totalled $312,000 at the end of 1935. Free surplus over and above all liabilities is $124,000 while surplus available for policyholders (inclusive of capital stock and provision for deferred dividends) is $335,000.

Total business in force now stands at $10,250,000 while new business written in 1935 (apart from annuity contracts) was $1,490,000.

Mutual Relief Life

During February, 1936, formal approval was given by policyholders of Mutual Relief Life and by shareholders of Empire Life to a merger whereby the latter company absorbs the business and assets of the former concern.

Following statistics show the position of the Mutual Relief Life at the end of 1935 and before the merger was consummated.

Officers—
Dr. J. C. Connell, pres.; D. A. Shaw, vice-pres.; W. T. Fortye, asst. gen. mgr. and sec.; H. H. Blakeman, actuary; W. P. Black, supt. of agencies.

Directors—
Dr. J. C. Connell, D. A. Shaw, C. C. Folger, W. Jackson, Hon. T. A. Kidd, J. M. Campbell, Dr. H. C. Connell, W. A. Mackintosh, Jas. Rigney, H. B. Muir, Dr. W. T. Connell, all of Kingston; W. McDonald, Montreal; Jos. Powley, Toronto.

Growth of Business

Year	Assets $	Business in Force $	Business Issued $
1930	5,079,363	21,043,453	3,283,000
1931	5,052,747	22,332,000	4,211,000
1932	5,221,220	20,095,655	2,910,570
1933	4,906,971	19,181,121	2,051,934
1934	5,063,091	18,638,554	2,480,000
1935	5,027,410	18,514,931	1,977,639

Classes of Business Written—

	Issued (gross) 1935 $	Business in Force Dec. 31/35 $
Ordinary business: (a) Participating	1,977,639	18,514,931
(b) Non-partic.	nil	nil
Group	nil	nil
Total	1,977,639	18,514,931

Empire Life

Absorption of Mutual Relief Life Doubles Size of Company

Two recent events of wide significance for Empire Life Insurance Co. are the recent announcement of a plan whereby this company absorbs the business and assets of Mutual Relief Life of Kingston, and also the drastic capital reorganization of the company's capital structure which took place last June.

Policyholders of Mutual Relief Life (a mutual company) and shareholders of Empire Life have approved the merger plan but lack of formal ratification by legislative enactment (as yet) prevents the issuance of a statement showing the set-up on the new basis.

The merger will give Empire Life a total business in force of $35 millions which is double its present volume, and total assets of over $8 millions compared with a present asset figure for Empire Life of $3.3 milions.

The Financial Post publishes herewith summary figures covering the operations of both companies during 1935. It will be seen that Empire Life reported a considerable gain in assets; a small increase in business in force. New business issued and revived was 18 per cent less than in 1934. Free surplus over and above capital stock amounted to $202,000 as compared with an impairment of $113,000 at the end of 1934 and before the capital reorganization of June last was effected. Total surplus for protection of policyholders now stands at $515,000.

Under the new set-up, head office of the company will be moved to Kingston. Two directors of the Mutual Relief Co. (which will now disappear) namely J. M. Campbell and Prof. W. A. Mackintosh, both of Kingston, have been added to the Empire Life board.

Officers—
C. P. Fell, pres.; B. R. McKenzie, vice-pres.; A. H. Keith Russell, vice-pres.; L. T. Boyd, gen. man. and actuary; J. R. Paterson, sec.-treas.; H. C. Parsons, medical referee.

Directors—
C. P. Fell, B. R. McKenzie, A. H. Keith Russell, J. M. Vaughan, Geo. M. Orr, D. R. McLaughlin, D. W. McCormick, Newman A. Fairhead, George J. Guy, all of Toronto; J. M. Campbell, W. A. MacKintosh, Kingston.

Capital—Authorized	$2,500,000
Subscribed	1,308,500
Paid-up	312,962.50

Growth of Business

Year	Assets $	Business in Force $	Issued & Revived $
1930	1,878,298	20,117,415	4,832,207
1931	2,013,529	18,246,292	3,430,655
1932	2,353,794	17,044,918	2,546,902
1933	2,525,731	16,114,660	2,728,644
1934	3,039,468	17,185,858	3,241,392
1935	3,251,506	17,282,594	2,759,208

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government	12.0	5.2	7.3	8.2
Municipal	23.0	24.3	17.3	14.2
Other	10.0	8.1	5.5	3.3
Mortgages:				
Urban	19.0	16.9	20.6	19.3
Policy loans	11.0	10.0	10.1	9.1
Stocks	18.0	30.5	37.8	40.9
Real estate	5.0	4.1	1.0	.9
Miscellaneous	2.0	..	..	..
Total	100.0	100.0	100.0	100.0

	1935 %	1934 %	1933 %	1932 %
Interest earned*	4.69	4.86	4.88	5.06

*On mean invested assets.

Health Enemy No. 1 —the Common Cold

LOOK out for the common cold! Last year it cost more than 500 million dollars in wages, caused more absence from work than any other form of sickness, robbed millions of children of time from school.

Look out for the common cold! It may pave the way for other dangerous enemies of health—influenza and pneumonia, and even tuberculosis. In addition, a cold may often lead to chronic catarrh of the nasal passages, to ear trouble, bronchitis or inflammation of the sinuses—the cavities in the bones of the skull. A cold can easily become a serious matter.

The best time to prevent serious trouble is at the very beginning. The moment your nose begins to run, your throat feels sore, your eyes burn and your back begins to ache, or your head stops up—organize your counter attack on Health Enemy No. 1.

Take no chances. Stay at home. Rest in bed. Stay away from other people—colds are often contagious. Drink plenty of water and eat lightly of simple, nourishing foods. If there is no improvement in your condition the next day, call the doctor. If you are feverish, send for the doctor at once. Do not ignore a cold no matter how trifling it seems. If you take proper care of yourself from the first sniffle, it will not, in a great majority of cases, develop into a serious illness.

The Metropolitan's booklet, "Colds, Influenza, Pneumonia," contains the best medical advice on the subject of colds. Send for your free copy.

METROPOLITAN LIFE INSURANCE COMPANY

FREDERICK H. ECKER, *President*

CANADIAN HEAD OFFICE OTTAWA

SERVING CANADA SINCE 1872

Company Earnings Reports

Reliance Grain

Reliance Grain Co.'s earnings during 1935 recorded a sharp decline from that reported in the preceding twelve months. Despite lower bond interest and reduction of $100,000 in depreciation reserve, the amount available for dividends on the preferred stock was only $93,573, compared with $214,878 in 1934. There was a deficit after all charges of $36,427 as against a surplus of $19,878 in the previous year.

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Gross income	505,436	......
Less: Exec. salaries	71,230	......
Net revenue	434,206	736,783
Less: Depreciation	215,279	301,912
Bond interest	103,254	152,520
Income tax	21,600	41,000
Directors' fees	320	600
Bond discount	......	17,873
Loss on investments	......	8,000
Net profit	93,573	214,878
Less: Pref. divds.	130,000	195,000
Surplus	*36,427	19,878
Previous surplus	711,484	691,606
Surplus forward	675,238	711,484

*Deficit.

Working Capital

	1935 $	1934 $
Current assets	6,960,790	9,399,326
Current liabs.	5,455,800	8,121,907
Working capital	1,504,990	1,277,419

Crown Cork & Seal

In a report covering Nov. 16, 1935, to Dec. 31, 1935, Crown Cork and Seal Co., Toronto, reports gross sales of $87,339 and net profit of $9,329.

A strong liquid position is shown by the report, working capital being put at $467,798.

Income and Surplus Account
Nov. 16, 1935 to Dec. 31, 1935

	$
Gross sales	87,339
Less: Manufacturing costs	56,801
Operating profit	30,538
Less: Selling exps.	10,016
Admin. & gen. exps.	8,269
Miscellaneous exps.	1,770
Prov. for income taxes	1,514
Loss on foreign exchange	10
	8,959
Add: Other income	370
Net profit	9,329
Less: Investment w/o	532
Surplus	8,797

Working Capital

	$
Current assets	508,403
Current liabilities	40,605
Working capital	467,798

Additional company earnings on page 21

Hunt's Ltd.

Despite an increase in sales, Hunts Ltd., restaurant and confectionery chain, reports an increased deficit in 1935. Net loss after all charges amounted to $40,005 as compared with $34,101 in 1934.

The larger deficit is attributed to a lower margin of profits. Rising costs of materials used in manufacture of products has not been accompanied by a corresponding increase in retail prices.

Sales in 1935 totalled $938,758 compared with $835,868 in 1934.

Working capital declined slightly during the year to $31,520.

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Net profit before deprec.	12,556	33,089
Less depreciation	52,561	50,358
Net loss	40,005	17,269
Less appropriations:		
Class A dividends	....	9,330
Class B dividends	....	7,502
Deficit for year	40,005	34,101
Add: Previous surplus	71,316	106,967
Less: Equip. w/o	....	1,550
Surplus carried forward	31,311	71,316

Working Capital

	1935 $	1934 $
Current assets	86,380	77,515
Current liabilities	54,860	43,125
Working capital	31,520	34,390

Keefer Realty

Lower rentals resulted in a larger deficit for Keefer Realty Corp. of Montreal in 1935. Net loss after bond interest, but before depreciation, amounted to $34,448 in 1935 as against $27,040 in 1934.

The average occupancy of the building during 1935 was 87½ per cent. At the present time the building is 89 per cent rented.

Income and Surplus Account
Years Ended December 31

	1935 $	1934 $
Income:		
Rental revenue	76,890	84,172
Sale of seized furn.	76	272
Total income	76,966	84,444
Less: Operating exp.	50,668	49,869
Operating profit	26,298	34,575
Less: Other expenses	13,816	14,127
Net profit before deprec. & bond interest	12,482	20,447
Less: Bond interest	46,930	45,006
Heating system rep.	......	2,482
Net loss before deprec.	34,448	27,040
Add: Previous loss	27,040	96,968
Write-offs	......	353,034
Less: Capital w/o	......	450,000
Adjust. re prior yrs.	1,065	......
Deficit carr. forward	60,423	27,040

Mutual of Canada

Assets Now Exceed $150 Millions — Company Ranks Fourth Among Canadian Companies on Basis of Business in Force

An increase of three per cent in new paid-for insurance during 1935 is reported by Mutual Life Assurance Co. of Canada. Business in force increased one per cent, and reached a new high total in the company's history of $527 millions.

The company also reported a five per cent increase in the total assets which crossed the $150 millions mark and now stand at the highest total in the company's history — namely, $152.6 millions.

Organized in 1869

Mutual of Canada was organized in 1869 under an Ontario charter, the company being originally incorporated as the Ontario Mutual Life Assurance Co. An original condition of its organization was that at least 500 prospective policyholders pledge themselves to take out policies of $1,000 thus providing $500,000 of business in force at the outset. This goal was attained by February, 1870. Eight years later, a Dominion charter was obtained. The company's head office is at Waterloo, Ontario. On the basis of total business in force the company now ranks fourth among Canadian life insurance.

Analysis of the company's assets shows a substantial increase in holdings of government bonds, which now amount to almost 26 per cent of total assets. Holdings of urban mortgages and loans outstanding to policyholders both show declines from a year ago. According to W. H. Somerville, general manager, the assets are valued on a considerably lower basis than that allowed by the federal insurance department.

MUTUAL LIFE OF CANADA

Officers—
R. O. McCulloch, pres.; L. La Course Lang, 1st vice-pres.; Maj.-Gen. Hon. S. C. Mewburn, K.C., C.M.G., 2nd vice-pres.; W. H. Somerville, gen. mgr.; A. E. Pequegnat, asst. gen. mgr.; H. M. Cook, sec.; J. M. Laing, actuary; H. Holmes, assoc. actuary; H. L. Guy, treas.; W. Carlisle, supt. of agencies; J. M. Livingston, M.D., med. dir.

Directors—
R. O. McCulloch, Galt, Ont.; L. La Course Lang, C. H. Houson, Chatham; W. G. Watson, Glyn Osler, K.C., T. A. Russell, E. G. Long, K.C., Toronto; Maj.-Gen. S. C. Mewburn, K.C., C.M.G., Hamilton; Hon. J. Fred Fraser, Halifax; Isaac Pitblado, K.C., Winnipeg; W. G. Murrin, Vancouver; Hon. J. E. Perrault, K.C., Arthabasca, Que.; C. F. Sise, Montreal; W. H. Somerville, Waterloo; G. Blair Gordon, Montreal.

Field of Operations—
Canada, Newfoundland, Bermuda, and New York State.

Capital—None.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New ins. Paid for ($ 000)
1912	20,071,345	77,921	10,712
1917	32,165,432	123,511	20,673
1922	53,605,630	246,487	31,062
1927	89,233,343	386,712	49,535
1931	125,848,000	513,380	53,193
1932	132,198,393	517,968	44,039
1933	138,913,984	518,521	40,836
1934	145,411,734	521,174	*42,411
1935	152,631,157	527,372	*43,689

*Excluding annuities.

Classes of Business Written—

	Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating..	38,457,965	500,943,582
(b) Non-partic. ...	2,682,672	12,738,866
Group	2,548,182	13,689,738
Total	43,688,819	527,372,186

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government ...	25.7	20.0	16.7	13.6
Municipal	12.5	14.4	14.7	15.6
Other	10.7	11.4	10.7	10.8
Total	48.9	45.8	42.1	40.0
Mortgages:				
Farm	5.8	6.2	6.7	7.3
Urban	20.3	22.1	24.0	26.2
Total	26.1	28.3	30.7	33.5
Policy loans	19.5	21.1	22.1	22.3
Stocks	1.3	.9	1.1	1.1
Real estate	3.4	3.1	2.9	2.3
Other	.7	.6	1.1	.8
Total	100.0	100.0	100.0	100.0

	1935 %	1934 %	1933 %	1932 %
Interest earned*..	4.95	4.98	5.22	5.67

On mean invested assets.

Continental Life

New Paid-for Insurance Shows Gain of 24 Per Cent in Past Year

A small gain in new business issued and a three per cent increase in business in force was reported by Continental Life Insurance Co. during 1935. New paid-for business, however, increased by 24 per cent during the year.

Assets rose by four per cent due largely to a substantial improvement in the quoted valuations of the company's stocks. The company in 1935, for the first time in many years, uses actual market valuations in its annual report.

Continental Life was incorporated under an Ontario charter in 1889 with head office at Toronto. Two years later a Dominion license was obtained, since which time the company has expanded to all parts of Canada.

CONTINENTAL LIFE INSURANCE CO.

Officers—
S. Jones, chm. of the board; J. W. Hobbs, pres.; Dr. H. W. Aikins, vice-pres.; N. J. Lander, man. dir.; J. Hunter, actuary; Charles H. Fuller, sec.

Directors—
Representing shareholders — Dr. H. W. Aikins, S. Jones, K. D. McKenzie, W. A. Medland, T. D'Arcy Leonard, J. A. Rowland, K.C., G. H. Fensom, all of Toronto; Sir G. Garneau, Quebec.
Representing policyholders: E. E. Sharpe, Winnipeg; R. Southam, T. J. Richardson, G. H. Muntz, all of Toronto; W. A. Dryden, Brooklin.

Capital—

Authorized	$1,500,000
Subscribed	1,000,000
Paid-up	200,000
Shareholders' Dividends paid ..	10%

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	1,462,367	8,524	1,726
1917	2,372,890	12,031	2,075
1922	3,656,247	20,128	3,192
1927	5,650,119	32,779	5,069
1930	7,202,577	40,203	5,694
1931	7,539,000	38,809	4,300
1932	7,722,928	37,433	3,733
1933	7,858,986	35,185	3,357
1934	8,035,796	35,688	4,260
1935	8,344,265	36,857	5,193

Classes of Business Written—

	Gross Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating ...	3,149,611	25,779,619
(b) Non-partic.	3,311,362	11,016,883
Group	nil	60,500
Total	6,460,973	36,857,002

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government ...	19.2	17.8	17.3	17.1
Municipal	14.3	16.0	14.8	13.8
Other	6.4	6.2	5.3	5.6
Total	39.9	40.0	37.4	36.5
Mortgages:				
Farm	.4	.4	.3	.1
Urban	27.1	28.8	30.3	31.9
Total	27.5	29.2	30.6	32.1
Policy loans	17.2	17.9	19.3	19.8
Stocks	6.2	4.1	3.6	3.6
Real estate	8.1	8.0	7.7	7.5
Other	1.1	.7	1.3	.4
Total	100.0	100.0	100.0	100.0

	1935 %	1934 %	1933 %	1932 %
Interest earned*..	5.15	5.38	5.47	5.80

*On mean invested assets.

Standard Life

Famous Scottish Company Reports 18 Per Cent Gain in Canadian Business in 1935

Standard Life Assurance Co., with head office at Edinburgh, Scotland, and Canadian head office at Montreal, was established in 1825 and has been doing business in Canada since 1846. In 1925 on the celebration of its centenary the company turned itself into a mutual organization.

New paid-for business in 1935 totalled $3 millions compared with $2.6 millions in the previous year. Business in force in Canada totalled over $31 millions at the year end, an increase of over 4 per cent.

Total assets of the company in Canada amounted to $27.1 millions at December 31, 1935, a gain of nearly $2.5 millions from the end of the previous year. Of this total nearly one-half was on deposit with the receiver-general at Ottawa for the protection of Canadian policyholders.

The company is outstanding in that its reserves are calculated on the equivalent of a 2¼ per cent interest basis, said to be a stronger basis of valuation than that adopted by any other insurance office in the world.

For 1935 the company has again declared a compound bonus to participating policyholders amounting to $21 per $1,000 of insurance. This rate has been maintained consistently since 1926.

STANDARD LIFE

Chief Agent in Canada —W. H. Clark Kennedy, Montreal.

Ins. Issued in Canada, 1935

	$
Ordinary business:	
(a) Participating	3,180,226
(b) Non-partic.	151,524
Total	3,331,750

Growth of Business (In Canada

Year	Assets $	Business in Force $	New Ins. Paid for $
1930	19,787,865	31,330,234	2,571,346
1931	19,820,029	31,329,555	2,153,909
1932	21,053,594	30,544,724	2,126,280
1933	22,264,098	29,810,079	2,396,598
1934	24,783,095	29,772,426	2,550,713
1935	27,131,139	31,087,178	3,026,294

Entire Company Operations

Year	Assets £	Business †in Force £	New Ins. ‡Paid for £
1931	21,961,483	32,598,998	2,763,993
1932	23,843,640	33,129,219	2,728,580
1933	25,071,426	34,754,587	3,177,792
1934	25,941,604	36,059,691	3,487,795
1935	*	*	3,912,286

*Not available. †Less reassurance. ‡Less group business.

	1935 %	1934 %	1933 %	1932 %
Interest earned*..	5.08	5.14	5.21	5.45

*On mean invested assets.

E. C. DEWOLFE has been appointed branch manager for the Dominion Life at Windsor.

Excelsior Life

New Paid-for Insurance Gains 38 Per Cent in 1935 — Bond Holdings Rise

Gains of 38 per cent in new paid-for business and 16 per cent in new business issued, are reported by Excelsior Life Assurance Co. during 1935. The increase is attributed by the company to special development plans carried out during the year, including the new agency sales system and a new personal pension policy, combining special investment-protection features, of which $4.6 millions was sold in 1936.

With head office at Toronto, the company has been operating in Canada under federal license since 1897. Total business in force now exceeds $92 millions, while total assets are over $20 millions.

Bond Holdings Increase

Changes in the distribution of the company's assets during 1935 show a considerable increase in holdings of government bonds which now represent over 30 per cent of total invested assets. Holdings of all types of bonds comprise over 53 per cent.

Prior to 1930, the company's agency organization operated largely outside the large centres of population. Since that time effort has been directed to development and training of agency staffs in principal cities which has aided the company in placing larger volume of new business and also in increasing the average size of policy written.

EXCELSIOR LIFE INSURANCE CO.

Officers—
Alex. Fasken, K.C., pres.; J. L. Ross, 1st vice-pres.; G. R. Warwick, 2nd vice-pres.; A. C. Galbraith, gen. mgr.; C. P. Muckle, sec.-treas.; T. A. Dark, actuary; C. Q. Parker, investment mgr.; A. W. Johnston, asst. actuary; T. O. Cox, supt. of agencies; A. P. Johnston, acct.; John Ferguson, medical referee; W. E. Ferguson, asst. medical referee; R. T. Boyes, Western Ontario supervisor; M. S. Crockford, supervisor of field service.

Directors—
Representing shareholders: Alex. Fasken, J. L. Ross, S. F. Duncan, F. E. Maulson, H. S. Gooderham, A. Matthews, Toronto; G. E. Weir, Dresden, Ont.; G. S. Kilbourn, Owen Sound.
Representing policyholders: G. R. Warwick, R. S. Robertson, K.C., Toronto; P. F. Casgrain, K.C., Montreal; J. W. Spencer, Victoria.

Field of Operations—Canada.

Capital—Authorized	$500,000
Subscribed	500,000
Paid-up	150,000

Dividends Paid on Capital Stock—$2.40 per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	2,855,070	16,718	2,681
1917	4,593,716	21,079	5,114
1922	8,080,259	48,412	7,336
1927	13,327,152	76,387	11,716
1931	18,497,608	98,020	12,050
1932	19,019,349	94,631	10,186
1933	21,530,562	90,052	9,145
1934	19,655,890	89,075	9,341
1935	20,167,181	92,313	12,892

Classes of Business Written—

	Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating .	6,196,554	55,303,267
(b) Non-partic. ..	10,002,439	37,003,778
Industrial	......	6,274
Total	16,198,993	92,313,319

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government ...	30.4	25.8	22.5	19.0
Municipal	13.5	14.3	13.9	14.7
Other	9.5	10.6	11.1	11.7
Total	53.4	50.7	47.5	45.4
Mortgages:				
Farm	2.7	3.0	3.4	3.7
Urban	16.9	17.1	18.0	19.0
Total	19.6	20.1	21.4	22.7
Policy loans	19.3	20.7	22.9	22.2
Stocks	1.2	1.3	1.7	1.8
Real estate	6.0	6.6	7.0	7.5
Other	.5	.6	.5	.4
Total	100.0	100.0	100.0	100.0

	1935 %	1934 %	1933 %	1932 %
Interest earned*..	5.00	5.31	5.36	5.45

*On mean invested assets.

Edmonton Underwriters Hold Insurance Congress

Edmonton Branch of Canadian Life Underwriters Association held an all-day congress recently under the chairmanship of J. Marshall.

Speakers included C. C. Ferguson, general manager, Great-West Life; Victor B. Herridge, assistant superintendent of Agencies, Sun Life of Canada; John Blue, secretary, Edmonton Chamber of Commerce; Dr. W. G. Hardy, University of Alberta, and E. A. Corbett, University of Alberta Extension Department.

Canada Life

Oldest Canadian Life Insurance Company Reports $816 Millions of Insurance in Force — Total Assets Now $248 Millions

With $816 millions of insurance in force, Canada Life Assurance Co. is the oldest and second largest life insurance institution in the Dominion. The company boasts the first life insurance policy to be written in Canada—namely, a contract for £500 of insurance on the life of Hugh C. Baker, founder and first president of the company.

With head office at Toronto, the company operates under federal charter and has a substantial organization throughout eleven states of the United States, Great Britain, the West Indies, Newfoundland and Hawaii. Latest available figures show 45 per cent of the company's business in force is outside the Dominion.

Operations in 1935

Analysis of 1935 operations shows volume of new annual premium ordinary life business increased substantially over 1934 against which the company reported considerably smaller writings of single premium business, and a sharp voluntary curtailment in consideration received for annuities.

Assets Now $248,000,000

Total assets at the end of 1935 after being written down almost $900,000 to a book value "less than it would be if the values established by the Dominion Insurance Department were used" amounted at the end of 1935 to over $248 millions —an increase of $6.5 millions over the corresponding figure a year ago. The company continued and extended during 1935 its treatment of interest and rents due and accrued by excluding from its calculations all over-due interest on bonds and stocks, and all interest more than one year over-due on mortgages and sale agreements.

The proportion of the company's assets invested in government and municipal bonds increased sharply during the year, the total at the end of 1935 being almost $93 millions.

An important executive change announced in February, 1936 was the appointment of S. C. McEvenue as general superintendent of the company. Mr. McEvenue succeeds A. Gordon Ramsay, who retired due to ill health.

CANADA LIFE ASSURANCE CO.

Officers—
Leighton McCarthy, K.C., pres.; H. C. Cox, chm.; E. R. Wood, vice-pres.; A. N. Mitchell, vice-pres. & gen. mgr.; W. A. P. Wood, asst. gen. mgr. and actuary; W. Hastie, asst. gen. mgr. and treas.; S. C. McEvenue, gen. supt.; L. K. File, assoc. actuary; J. H. Domelle, sec.; W. J. Beattie, exec. asst.; S. J. Streight, med. dir.; R. G. McDonald, supt.; H. C. Scadding, cons. med. dir.; R. E. Woodcock and E. C. Gill, asst. treas.; J. D. Williamson and J. G. Beatty, asst. actuaries; J. A. Roberts, asst. med. dir.; H. N. Watt, R. J. Trenouth and J. H. Romig, asst. supts.; A. G. Dalrymple, W. J. Sheppard, F. W. White and J. M. Brown, asst. secs.; W. R. McConnell, supervisor W. Can. loaning branches.

Directors—
Representing shareholders: Leighton McCarthy, K.C., H. C. Cox, E. R. Wood, A. N. Mitchell, C. A. Bogert, W. N. Tilley, K.C., R. A. Laidlaw, J. A. McLeod, all of Toronto; A. V. Davis, Pittsburgh; J. Stuart, Chicago.
Representing policyholders: E. G. Baker, W. E. Rundle, Sir Thomas White, all of Toronto; Hon. Charles Stewart, Ottawa; Aime Geoffrion, K.C., Montreal.

Field of Operations—
Canada, Great Britain and Northern Ireland, the Irish Free State, 11 states of the U.S.A., Newfoundland, Bahamas, Bermuda and Hawaii. In the United States 13 branches are maintained, covering the following states: California, Florida, Illinois, Maine, Michigan, Minnesota, New York, Ohio, Oregon, Pennsylvania and Washington.

Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	1,000,000

Dividends on Capital Stock—
20% per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	48,301,523	144,878	15,512
1917	62,580,337	183,017	21,369
1922	86,654,498	360,981	64,521
1927	140,580,678	769,982	146,492
1930	188,225,140	1,015,712	132,049
1931	204,776,019	1,029,759	116,048
1932	216,886,246	926,390	80,536
1933	226,842,892	852,668	52,688
1934	242,362,565	829,892	53,794
1935	248,893,104	816,849	52,603

	1935 %	1934 %	1933 %	1932 %
Interest earned*..	4.55	4.78	4.90	5.34

*On mean invested assets.

Classes of Business Written—

	Gross Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating ..	39,690,645	682,915,215
(b) Non-partic. ...	4,188,831	40,053,339
Group	12,143,531	93,880,300
Total (exclud. ann.)	56,023,007	816,848,854

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government ..	27.2	25.3	20.8	18.0
Municipal	11.5	10.5	10.3	9.2
Other	16.2	17.4	16.5	16.0
Total	54.9	53.2	47.6	43.2
Mortgages & Sale Agreements:				
Farm	7.9	8.1	9.1	9.8
Urban	13.0	14.7	16.7	18.2
Total	20.9	22.8	25.8	28.0
Policy loans	12.6	14.2	16.3	18.3
Stocks	3.6	3.3	3.9	4.0
Real estate	6.1	5.4	5.2	5.1
Other	1.9	1.1	1.2	1.4
Total	100.0	100.0	100.0	100.0

Building Permits

Building permits issued by 58 cities in December, 1935, represented construction work valued at $2,390,014, as compared with $3,315,001 in November, 1935, and $2,521,820 in December, 1934. There was a decrease of $924,987 or 27.9 per cent in December compared with the preceding month.

New York Life

New York Life Insurance Co. commenced business in Canada in 1868 and now has $153 millions of business in force in Canada. All business in Canada is written on the ordinary plan and 95 per cent of the outstanding business is participating.

New paid for insurance in Canada in 1935 declined from the 1934 total, the comparative figures being $4.8 and $6.2 millions.

Total assets in Canada at Dec. 31, 1935, amounted to $49.9 millions, a slight decline from the previous year. Approximately $27 millions is on deposit with the Receiver-General, Ottawa.

Some idea of the magnitude of the company's operations on this continent is indicated by the fact that total assets at the end of 1935 were $2.2 billions while total business in force was over $6.6 billions.

NEW YORK LIFE INSURANCE CO.

Head Office—51 Madison Ave., New York, N.Y.

Head Office in Canada — Montreal Trust Bldg., Montreal.

Chief Agent in Canada — P. V. Raven, Montreal.

Growth of Business (In Canada)

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	13,593,281	59,119	9,217
1917	18,514,045	79,228	10,877
1927	34,114,255	172,043	20,342
1930	44,984,462	198,506	18,377
1931	48,529,243	194,494	11,039
1932	50,062,617	185,382	8,966
1933	49,890,811	170,620	6,102
1934	50,695,005	160,518	6,163
1935	49,909,798	152,521	4,849

Classes of Business Written (In Canada)—

	Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating ...	4,849,243	145,042,857
(b) Non-partic.	....	7,477,800
Total	4,849,243	152,520,657

Entire Operations

Year	Assets $	Business in Force ($ 000)	New Ins. *Paid for ($ 000)
1931	1,890,144,881	7,657,373	695,253
1932	1,974,076,041	7,341,993	542,722
1933	2,010,943,112	6,869,268	396,231
1934	2,109,505,224	6,661,514	457,064
1935	2,243,587,752	6,620,881	479,954

*Including revived and increased.

	1935 %	1934 %	1933 %	1932 %
Interest earned*..	4.62	4.34	4.91	5.13

*On mean ledger assets.

Most Life Insurance Firms Use Average Security Values

Valuations at which insurance company holdings are taken in the 1935 balance sheets, are with few exceptions the same as those in use in 1934. This basis with but minor variations has been used now for the past four years, and in so far as the bulk of security holdings are concerned, permits what are commonly called "average" valuations for securities held but not purchased during the current year. Companies have the alternative, however, of using actual values in their year-end statements.

Thus for the first time in 1931 and subsequently, the principle has been generally adopted on this continent that companies may prepare balance sheet statements on the basis of the "average" valuations of their bonds and stocks. The "average" adopted in each successive year has remained virtually unchanged and is the price at which the securities were selling on June 30, 1931. When this date was first accepted, it was stated that it represented, for practically all investments, the average quotation over the five "quarters" preceding the September, 1931.

Many companies in 1935 were able to report that the valuation of their assets on a strict market basis revealed virtually no discrepancy as between that and the "authorized" values. Several companies report the [illegible] statement for the first time this year.

A considerable number of companies while using the authorized basis did, however, list their security holdings at figures less than those officially allowed by insurance superintendents.

For companies operating under the federal insurance department, G. D. Finlayson, superintendent of insurance ruled in 1934 and in 1935 that companies continuing to use "authorized" values in their balance sheets rather than actual market values, refrain from increasing the rate of dividend either to participating policyholders or to shareholders.

Parachutes and Policies

The Caterpillar Club, so named because the silk cover of the parachute comes from caterpillars, is composed of airmen whose lives have been saved by parachutes. Among the members of the Club there is a saying:

"If you need one and you haven't got one, then you'll never need one again."

LIFE insurance is the financial parachute which saves countless thousands from disaster. One must have it when needed or it is too late.

Established 1887.

THE MANUFACTURERS LIFE INSURANCE COMPANY

HEAD OFFICE - TORONTO, CANADA

The Mutual Life and Citizens' Assurance Company Limited
(Of Australia)

THE FINAL ANALYSIS

The **premiums** charged by Life Assurance offices vary, so do their **bonuses.** Of paramount concern to those about to assure is the **net cost.**

In the case of a whole Life policy issued by the Ordinary Branch of the "M. L. C.", it works out thus:

Age at entry, 24 next birthday

Year of entry 1913 **Amount of policy $2,500**

1 Annual Premium	2 Reversionary Bonus for one year 1934	3 Cash Value of Bonus	Net Cost Difference between 1 and 3
$51.00	$77.00	$33.65	$17.35

A net cost of about $6.94 per $1,000.00

Total Premiums Paid $1,122.00 **Total Bonuses attached $1,427.50**

Chief Office for Canada: The M. L. C. BUILDING
455, Craig Street, West - MONTREAL

THE WESTERN LIFE ASSURANCE COMPANY

Head Office - Winnipeg

Had a Very Successful Year in 1935

NEW INSURANCE. Although the new insurance written was slightly below 1934, the terminations were much smaller, which left the Company in a good position as far as its insurance account is concerned.

MORTALITY. During the year 1935 the Company continued to have a very favorable mortality experience, the total deaths amounted to $21,000.

EXPENSES. The expenses of management continued to be extremely low, and were 5% lower than the previous year.

SURPLUS FUNDS. The surplus funds of the Company were increased, bringing the total amount up to $432,352.21, including capital.

RATIO OF ASSETS. The Company's assets are distributed as follows:

Bonds, Stocks and Cash	22.8%
Mortgages	38.1%
Policy Loans	19.6%
Accrued Interest	1.8%
Real Estate and Agreement of Sale....	14. %
Outstanding and Deferred Premiums..	3.7%
	100. %

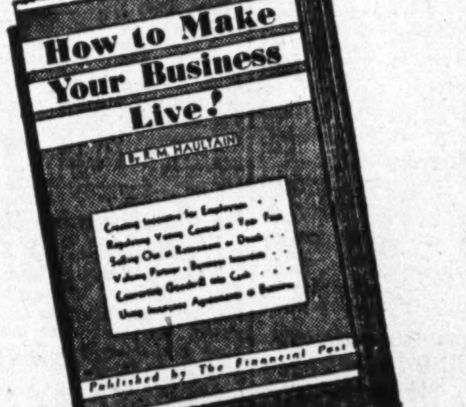
The Company's loans are all urban except $2,000 of farm loans.

The amount of money paid to policyholders during the year 1935 amounted to $116,922.93, consisting of surrenders, death claims and dividends.

W. E. MILNER, Managing Director. J. M. CARRUTHERS, President.

"How to Make Your Business Live"

By R. M. HAULTAIN



Those Who Will Use This Book:

THE LIFE UNDERWRITER, who will save much time by lending a copy to each partner simultaneously;

THE LAWYER, whose services are necessary in drawing the agreements;

THE BANKER, who will find it invaluable as an office reference on plans financed by his customers' business life insurance;

THE AUDITOR, whose advice is frequently sought in an advisory capacity on these plans;

THE BUSINESS MAN, who will find the solution for many of his most fundamental problems;

THE INVESTMENT DEALER, who will want to visualize this side of his client's financial affairs;

THE TRUST COMPANY EXECUTIVE, who will find here questions on which he is constantly consulted.

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now only $1 per copy

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SATURDAY NIGHT says:
"A wealth of practical information ..."

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"Corporation lawyers, auditors and insurance men can pick up from this book hints that will pay them good dividends; but investment by the small business man is better because the advice may save his life's work ..."

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"Without doubt the information disseminated in this purposeful book is valuable to the corner grocer and the big business magnate alike ..."

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"A great deal more than rules and regulations ..."

INDUSTRIAL CANADA (Canadian Manufacturers' Ass'n) says:
"An interesting and informative book on a problem that is met by many business men ..."

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Crown Life Insurance

New Business Shows Fourth Consecutive Increase in 1935 — Company Now Tenth Among Canadian Companies on Basis of Business in Force

An increased volume of new business issued has been reported by Crown Life Insurance Co. for four consecutive years. Total volume during 1935 was $29.6 millions. The company's business in force now stands at $157 millions, the highest point in the company's history. The gain during 1935 places the company tenth among Canadian companies on the basis of business in force.

Crown Life has been operating in Canada since 1901 with federal charter and with head office at Toronto. In recent years it has extended its field of operations outside Canada, and now operates in Great Britain, the West Indies, British and Dutch Guiana, the Orient, and in the states of Washington and Michigan.

Analysis of the company's assets at the end of 1935 showed increased holdings of government bonds, a smaller proportion of urban mortgages, and a decline in policy loans outstanding.

CROWN LIFE INSURANCE CO.

Officers— Sir R. L. Borden, pres.; C. W. Somers, vice-pres.; J. S. Stevens, sec.; H. R. Stephenson, gen. mgr.; F. W. Hill, actuary; R. T. Couch, treas.

Directors— Representing shareholders: C. W. Somers, H. R. Stephenson, H. D. Burns, Toronto; G. A. Morson, Havana; G. O. Somers, Pasadena, Calif. Representing policyholders: Sir R. L. Borden, Ottawa; F. E. Brown, W. R. Morson, G. E. Spragge and W. F. Watkins, Toronto; F. R. McD. Russell, Vancouver.

Field of Operation— Canada, Great Britain, Newfoundland, Michigan, Washington, West Indies (including Bermuda), British and Dutch Guianas, Orient.

Capital—Authorized	$1,000,000
Subscribed	552,500
Paid-up	229,697

Dividends Paid—10% per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	1,233,901	10,016	3,292
1917	2,248,896	15,374	3,646
1922	4,789,563	34,460	7,551
1927	10,383,194	87,877	22,547
1931	16,654,000	136,684	18,826
1932	17,892,631	137,181	19,615
1933	18,893,082	138,822	22,324
1934	21,084,899	147,861	25,658
1935	23,669,128	156,990	27,625

Classes of Business Written—

	Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating	14,103,021	104,510,297
(b) Non-partic.	15,459,863	52,010,165
Group	28,000	469,220
Total	29,590,884	156,989,682

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government	28.5	24.1	20.9	17.7
Municipal	4.9	4.6	4.0	4.0
Other	6.1	5.7	5.8	6.6
Total	39.5	34.4	30.7	28.3
Mortgages:				
Farm	0.04	0.06	44.4	45.1
Urban	39.72	43.07		
Policy loans	15.1	17.2	19.3	20.9
Stocks	2.5	2.1	2.2	2.6
Real estate	3.1	3.2	3.4	3.1
Total	100.0	100.0	100.0	100.0

	1935 %	1934 %	1933 %	1932 %
Interest earned*	5.54	5.77	5.81	5.96

*On mean invested assets.

Aetna Life

New insurance sold by Aetna Life Insurance Company in Canada during 1935 totalled $10.7 millions on a paid-for basis compared with $11.4 millions a year ago, according to figures supplied to The Financial Post this week. The company showed a considerable gain in business in force in Canada, which rose at the end of the year to almost $85 millions.

Aetna Life Insurance Company began business in Canada in 1850, thus being the oldest American company operating in the Dominion. Almost half its total busines in force in Canada is group insurance.

Assets in Canada at the end of 1935 held solely for the protection of Canadian policyholders totalled $15.9 millions—a slight decline from the corresponding figure a year ago.

AETNA LIFE INSURANCE CO.

Head Office—Hartford, Conn., U.S.A.

Head Office in Canada—160 St. James St., Montreal.

Classes Written in Canada—Ordinary and group. Par. and non-par.

Growth of Business in Canada

Year	Assets $	Business in Force ($ 000)	New ins. Paid for ($ 000)
1930	12,805,000	99,739	9,287
1931	12,949,000	92,258	10,245
1932	13,067,000	83,881	4,817
1933	12,545,000	82,247	3,946
1934	13,967,000	82,776	11,417
1935	13,865,329	[illegible]4,896	10,713

Classes of Business Written (In Canada—

	Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating	275,000	8,015,938
(b) Non-partic.	2,508,510	35,182,309
Group	1,368,500	41,698,119
Total	4,152,010	84,896,366

Entire Operations

Year	Assets $	Life Business in Force ($ 000)	New ins. Paid for ($ 000)
1931	437,949,074	3,780,833	723,403
1932	446,603,863	3,457,451	546,468
1933	448,773,067	3,322,391	523,164
1934	465,572,083	3,400,505	752,536
1935	503,478,517	3,524,514	700,461

	1935 %	1934 %	1933 %	1932 %
Interest earned*	4.53	4.08	4.38	4.72

*On mean invested assets.

Dom. of Canada

Life Branch of Old-established Canadian Company Reports Increased Business in Force

A small decline in new paid-for insurance but a substantial increase in business in force and a further gain in assets is reported by Dominion of Canada General Insurance Co. in its life insurance branch in 1935. The company writes only non-participating insurance.

DOMINION OF CANADA GENERAL INS. CO.

Officers— Geo. H. Gooderham, pres.; Col. A. E. Gooderham and D. G. Ross, vice-pres.; H. W. Falconer, man. dir.; J. C. Dodds, treas.; J. C. Stuart, gen. supt.

Directors— Geo. H. Gooderham, Col. A. E. Gooderham, Col. G. G. Blackstock, Henry Gooderham, D. G. Ross, E. D. Gooderham, H. W. Falconer, all of Toronto; J. P. Nicholls, Vancouver.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1930	541,000	7,463	1,477
1931	641,000	7,824	1,407
1932	727,000	7,857	1,483
1933	813,704	8,086	1,337
1934	935,906	8,894	1,669
1935	1,090,351	9,657	1,615

Classes of Business Written—

	Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
Non-participating	1,796,858	9,444,433
Group	nil	212,838
Total	1,796,858	9,657,271

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government	22.0	22.2	20.0	13.9
Municipal	16.2	17.3	16.8	14.7
Other	28.8	26.9	28.6	32.7
Total	67.0	66.4	65.4	61.3
Urban mortgages	10.5	10.5	11.8	13.7
Policy loans	15.1	16.3	16.4	16.8
Stocks	4.4	3.7	5.5	6.4
Other	3.0	3.1	.9	1.8
	100.0	100.0	100.0	100.0

	1935 %	1934 %	1933 %	1932 %
Interest earned*	4.95	4.97	4.97	5.64

*On mean invested assets.

This policy gives you a FIVE-YEAR START on easy terms

THE PRUDENTIAL HAS THE STRENGTH OF GIBRALTAR

ANNUAL RATE FOR $5,000 LIFE INSURANCE						
First 5 years	6th year and thereafter					
	Age		Age		Age	
For the first five years **one-half** the figure in this table →	20	$91.10	31	$121.50	42	$180.90
	21	93.40	32	125.50	43	188.70
	22	95.80	33	129.60	44	196.70
	23	98.10	34	134.10	45	205.30
	24	100.50	35	138.80	46	214.50
	25	103.00	36	143.80	47	224.10
	26	105.10	37	149.10	48	234.50
	27	107.90	38	154.70	49	245.50
	28	111.10	39	160.70	50	257.20
	29	114.40	40	167.00	*Also issued at ages 51 to 60*	
THESE RATES ARE PARTICIPATING	30	117.70	41	173.90		

COSTS YOU LEAST WHILE NEEDED MOST

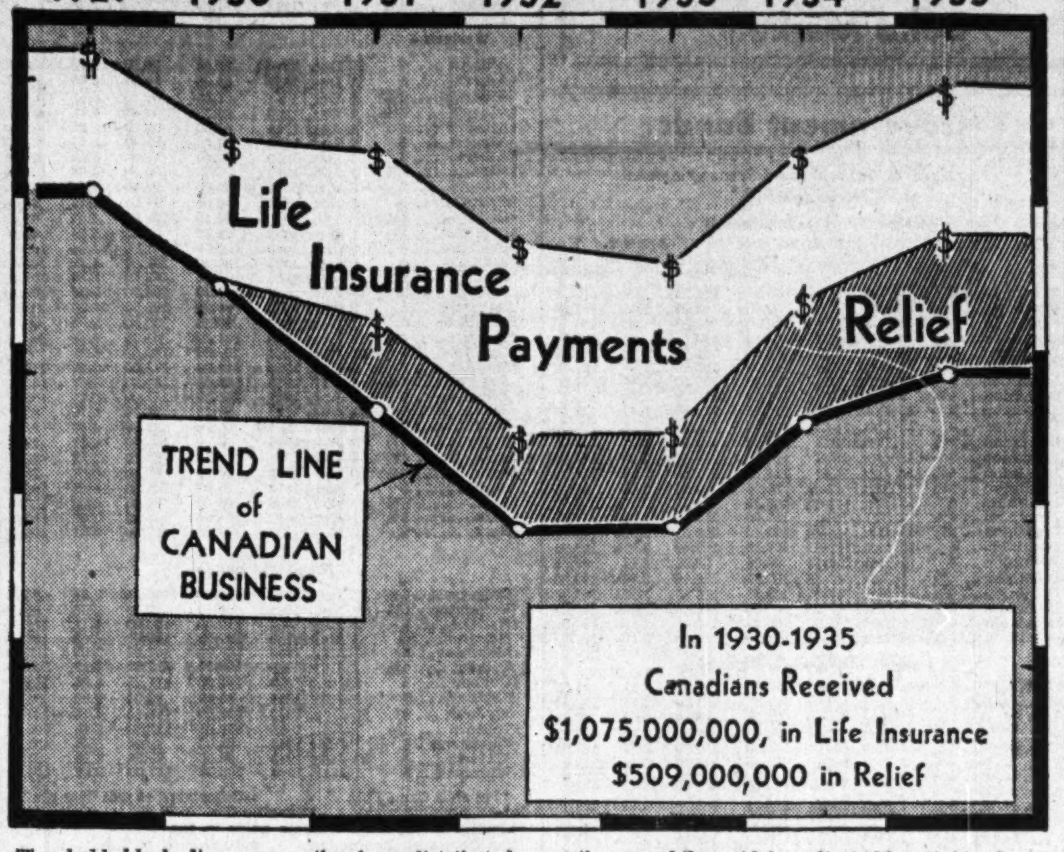
ASK AN AGENT OR THE LOCAL OFFICE OR WRITE THE HOME OFFICE FOR DESCRIPTIVE FOLDER AND A SYNOPSIS

The Prudential Insurance Company of America

EDWARD D. DUFFIELD, President — Home Office, NEWARK, N.J.

Branch Offices in all Leading Canadian Cities

How Life Insurance Filled the Depression Breach



The bold black line across the chart is the trend of Canadian business.

Above is a segment to show the way in which relief payments by various governmental bodies came in during the last five years to fill the gap in earnings and payrolls when work and wages stopped. The total distributed in this way up to and including March, 1936, is placed at $569 millions.

On top is depicted the major rôle which life insurance companies played in the drama of the depression.

For in the past six years the companies doing business in Canada have distributed more than one billion dollars to Canadians of which $819 millions was paid to living policyholders and the remainder to beneficiaries of deceased policyholders.

Here is the year-by-year record which shows not only how quickly and well, life insurance stepped into the breach but also that in every year the payments by life companies have exceeded relief outlays. In every year except 1935, the amount paid to living policyholders alone was actually greater than total relief disbursements.

The amount distributed to living policyholders comprises the amounts paid in policyholder dividends, matured endowments, annuities, surrender values, disability values and also the amount of new money paid out in loans to policyholders.

Here is the actual statistical record year by year, the 1935 figures being estimated by The Financial Post.

	Relief Costs	Life Insur. To Living Policyh'd'rs.	Payments As Death Benefits
1930	11,732,000	122,629,654	41,148,000
1931	96,896,000	140,820,665	43,082,000
1932	93,821,000	158,972,317	45,384,000
1933	95,762,000	146,598,033	43,736,000
1934	125,488,000	127,360,302	41,774,000
1935	145,000,000	123,000,000	39,800,000
	568,699,000	819,380,971	255,924,000

Confederation Life

Business in Force Rises to New High Point — Assets Now Over $100 Millions — Capital Life Taken Over

An important event in 1935 for Confederation Life Association was the acquisition in September of the Capital Life Assurance Co. of Ottawa. This acquisition brings the company's total assets well across the $100 millions mark and brings business in force at the end of the year to the highest ever shown by the company—namely, $387 millions.

Established in 1871, the company ranks seventh among Canadian life insurance institutions on the basis of total business in force. In addition to its Canadian operations, it does business extensively in Great Britain, Mexico, British West Indies, Central America and the far East. During 1935, the company obtained a license to operate in Hawaii, Hong Kong and Singapore. In the same year it announced withdrawal from Honduras, Nicaragua and Costa Rica.

Operations in 1935

Features of the company's underwriting during 1935 include a gain in the sale of ordinary business of $3.5 millions—a gain which extended to practically all fields in which the company operates. Declines were shown in volume of group business sold and in single premium income. The company reported substantial increases in renewal income, the first since 1931, while total income from all sources was the largest ever received by the company.

Analysis of assets shows a further gain in the relative proportion of government bonds held, while policy loans outstanding on the company's books declined to 15.5 per cent of invested assets, compared with almost 22 per cent three years ago. The company reports that on its total assets the excess of market values over book values aggregates over $2 millions after a write-off in 1935 (against future losses) of $500,000.

After allowance for write-offs and acquisition of the Capital Life business, the company's free surplus gained $400,000 during the year.

CONFEDERATION LIFE ASSOCIATION

Officers— C. S. Macdonald, pres.; R. S. Waldie, and Col. J. F. Michie, vice-pres.; V. R. Smith, gen. mgr.; C. D. Devlin, gen. supt. of agencies; C. R. Dent, sec.; J. H. Birkenshaw, actuary.

Directors— Representing shareholders: C. S. Macdonald, John Firstbrook, J. E. Ganong, F. Grenville Rolph, W. C. Laidlaw, C. P. Smith, R. V. Le Sueur, all of Toronto; P. A. Thomson, Montreal. Representing policyholders: R. S. Waldie, Col. J. F. Michie, A. C. Matthews, A. F. White, all of Toronto.

Field of Operations— Canada, United Kingdom, Newfoundland, New York State, Mexico, Cuba, Curacao, Grenada, Jamaica, Santo Domingo, Trinidad, British Honduras, Guatemala, Hawaii, Hong Kong, San Salvador, Singapore, Porto Rico, Canal Zone, and China.

Capital—Authorized	$1,000,000
Subscribed	1,000,000
Paid-up	200,000

Dividends Paid on Capital Stock—$4 per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New Ins. Paid for ($ 000)
1912	17,265,975	63,764	12,248
1917	22,329,534	82,274	15,038
1922	33,535,923	154,813	26,688
1927	57,435,782	258,466	50,872
1930	81,936,094	369,027	67,792
1931	88,490,249	381,085	53,852
1932	92,232,305	374,071	43,465
1933	94,205,166	361,045	38,858
1934	99,131,082	365,214	46,940
1935	106,377,955	387,065	*47,730

*Exclusive of Capital Life.

Classes of Business Written—

	Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating	15,193,368	259,689,371
(b) Non-partic.	24,879,044	101,038,492
Group	4,942,459	26,336,889
Total	45,014,871	387,064,752

(Excluding revivals and bonus additions).

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government	30.9	28.0	22.0	15.6
Municipal	18.1	17.1	16.5	18.8
Other	13.6	14.1	16.4	18.2
Total	62.6	59.2	54.8	52.6
Mortgages:				
Urban	12.3	13.1	13.6	14.3
Farm	1.5	1.7	2.0	2.1
Total	13.8	14.8	15.6	16.4
Policy loans	15.5	17.7	20.7	21.8
Stocks	3.3	3.2	3.7	3.8
Real estate	4.0	4.2	4.3	4.3
Other	.8	.9	.9	1.1
Total	100.0	100.0	100.0	100.0
Interest earned* %	5.00	5.18	5.33	5.33

*On mean invested assets.

Union Mutual Not Active In Canadian Underwriting

Union Mutual Life Insurance Co., with head office at Portland, Maine, commenced business in Canada in 1868. Ordinary insurance only is written almost entirely on a participating basis.

Gross business in force in Canada at the end of 1934, (latest available figure) was $5,774,000 as compared with $6,505,000 recorded at the close of 1933. New paid-for insurance issued in Canada during 1934 amounted to $179,500, compared with $216,500 in 1933.

R. F. SUTTON, manager, Sun Life at Edmonton, has been elected new president of the Life Insurance Managers' Association of that city. C. M. HORNER of Mutual Life has been appointed Vice-President. E. B. H. SHAVER, Commercial Life, is secretary-treasurer. The executive committee includes C. F. PEAVOY, Metropolitan Life; E. L. CHURCHILL, Continental Life, and W. D. BATTERS, Monarch Life.

Monarch Life

Assets Now Close to Twelve Million Dollars — Business in Force Shows Gain

Total assets of Monarch Life Assurance Co. at the end of 1935 amounted to nearly $12 millions, this being an increase of almost half a million dollars over the preceding year. Business in force increased for the second consecutive year to a total of $54.5 millions.

Monarch Life is licensed under a federal charter and does business in both Western Canada and in Ontario and Quebec. The company does not write business outside the Dominion. The company has its head office at Winnipeg, where it was organized 30 years ago. Its Ontario operations date back an almost similar length of time.

An important change during 1935 was the appointment of Gordon C. Cumming as general manager of the company. Mr. Cumming was formerly supervisor of field service for the Great-West Life. The former general manager, J. A. Macfarlane, resigned early in 1935.

MONARCH LIFE ASSURANCE CO.

Officers— W. A. Matheson, chm. of board; E. J. Tarr, K.C., pres.; W. L. Parrish, vice-pres.; G. C. Cumming, gen. mgr.; W. Bartholomew, asst. gen. mgr.; W. T. Watson, actuary; G. J. Telfer, sec.

Directors— Representing Shareholders: W. A. Matheson, R. J. Gourley, W. L. Parrish, E. J. Tarr, K.C.; G. H. Stewart, J. A. Flanders, all of Winnipeg. Representing Policyholders: A. O. Marrin, W. T. Gwyn, D. H. Hudson, Winnipeg.

Capital— Authorized	$2,000,000
Subscribed	996,600
Paid-up	100,740

Dividends Paid—$1 per annum.

Growth of Business

Year	$ Assets	Business ($ 000) in Force	New ins. ($ 000) Paid for
1927	7,081	52,512	7,013
1928	8,045	57,542	8,280
1929	9,001	61,569	7,656
1930	10,070	63,901	6,944
1931	10,373	61,148	6,025
1932	10,692	56,347	4,903
1933	10,861	52,602	6,037
1934	11,501	54,244	6,513
1935	11,977	54,491	5,792

Classes of Business Written—

	Issued 1935 $	Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating	4,607,285	40,232,358
(b) Non-partic.	3,373,410	14,258,328
Total	7,980,695	54,490,686

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government	6.8	5.1	5.4	2.4
Municipal	7.8	4.8	1.6	1.4
Other	11.6	13.7	9.6	10.8
Total	26.2	23.6	16.6	14.6
Mortgages:				
Farm	23.3	28.2	31.3	32.0
Urban	17.8	21.2	24.6	26.8
Total	41.1	49.4	55.9	58.8
Policy loans	17.8	19.5	21.4	22.9
Stocks	7.0	3.9	2.7	1.1
Real estate	7.2	2.8	2.1	1.6
Other	.7	.8	1.2	.9
Total	100.0	100.0	100.0	100.0

	1935 %	1934 %	1933 %	1932 %
Interest earned*	5.90	6.30	6.10	5.84

*On mean invested assets.

$16.6 Millions in Canada For Equitable of U. S.

Equitable Life Assurance Society of the United States commenced business in Canada in 1868. The company has not been active in Canada since 1920, but at the end of 1935 had $16.6 millions of business in force in Canada.

Assets in Canada totalled $8.7 millions at the end of 1935, of which over $6 million was held solely for protection of Canadian policyholders.

EQUITABLE OF U. S.

Head Office—393 Seventh Ave., New York, N.Y.

Head Office in Canada—Toronto.

Chief Agent in Canada—M. J. F. Bowman, Toronto.

Growth of Business (In Canada Only)

Year	Assets $	Business in Force $	New Ins. Paid for $
1912	8,058,138	22,300,034	2,422,284
1917	7,671,938	28,056,000	3,363,000
1922	9,285,970	36,365,000	85,087
1927	10,187,342	28,857,000	62,000
1931	10,946,056	24,222,000	23,400
1932	10,433,410	22,008,000	13,700
1933	7,000,898	20,025,912	None
1934	9,113,693	18,000,000	None
1935	8,743,016	16,568,796	None

Entire Operations (U. S. & Canada)

Total assets, 1935	$1,816,170,956
Total business in force, Dec. 31, 1935	6,226,286,505
Total new ins. paid for, 1935	841,037,520

London Life

Total Assets Cross $100 Millions Mark — Over Half Billion Insurance Now in Force of Which One Third Is Industrial Business

Total assets of the London Life Insurance Company crossed the $100 millions mark in 1935 for the first time. The increase over 1934 was nearly nine per cent.

Total business on the company's books now runs to $517 millions, of which one-third is industrial insurance; 62 per cent is ordinary business, and the remainder group.

Since 1874

With head office in London, Ontario, London Life ranks sixth among Canadian life insurance companies on the basis of its business in force. It was originally organized in 1874 with an Ontario charter, this being extended to a federal charter some ten years later. In 1887, it commenced writing industrial business, and in 1919 was one of the pioneers in the group insurance field.

As indicated in the tabulation below, new, paid-for business during 1935 dropped considerably below the corresponding total for the previous year. However, the company points out that the current year's figures exclude annuities and certain pension plans, which contributed approximately $7 millions to business issued in 1934.

Assets Rise

Analysis of the company's assets in 1935 shows a considerable increase in holdings of federal government securities, which rose from $6.9 millions to $11.1 millions during the year. Cash on hand and in the banks is also sharply higher at $3.4 millions, compared with only $831,000 at the end of 1934. Urban mortgages comprised the largest single group among the company's assets, which declined from 48 per cent to 43.4 per cent of total assets during the year.

The company showed a further gain in free surplus which rose by almost $400,000 to cross the $4 millions mark. In addition, the company added another million dollars to its mortgage and security investment reserve, which now totals $4.5 millions.

LONDON LIFE INSURANCE CO.

Officers— J. Edgar Jeffery, pres.; Edward E. Reid, vice-pres. & man. dir.; J. D. Buchanan, asst. gen. mgr. and actuary; J. G. Stephenson, asst. gen. mgr. and supt. of agencies; O. D. Newton, sec.; Angus Graham, M.D., med dir.; J. F. Maine, agency exec.; J. A. Campbell, assoc. actuary.

Directors— Representing shareholders: J. E. Smallman, G. E. Reid, J. E. Jeffery, C. L. Jeffrey, E. E. Reid, A. McPherson, all of London, Ont. Representing policyholders: W. Gorman, T. W. Baker, of Toronto; Lebert H. Jones, of London, Ont.

Field of Operations— Canada.

Capital—Authorized	$1,000,000
Subscribed	500,000
Paid-up	200,000

Dividends Paid on Capital Stock— 20% per annum.

Growth of Business

Year	Assets $	Business in Force ($ 000)	New ins. Paid for* ($ 000)
1912	4,059,376	23,265	7,385
1917	8,050,269	50,787	14,539
1922	19,234,188	129,682	33,228
1927	44,068,930	295,906	80,670
1930	65,346,490	439,701	......
1931	72,221,417	461,207	95,199
1932	77,558,313	471,955	95,684
1933	84,516,221	476,812	92,091
1934	92,448,738	500,634	91,725
1935	100,560,916	517,006	77,131

*After deducting reinsurance.

Classes of Business Written—

	Gross Issued 1935 $	Gross* Business in Force Dec. 31/35 $
Ordinary business:		
(a) Participating	19,851,305	230,048,298
(b) Non-partic.	15,187,831	88,496,952
Group	2,728,300	36,762,865
Industrial	41,785,777	169,987,083
Total	79,553,213	525,295,198

*Gross basis; net totals shown above in yearly comparison.

Analysis of Invested Assets

	1935 %	1934 %	1933 %	1932 %
Bonds:				
Government	24.7	21.8	15.4	7.3
Municipal	7.7	8.6	10.2	12.6
Other	1.9	1.9	1.9	2.5
Total	34.3	32.3	27.5	22.4
Mortgages:				
Farm	.6	.6	.8	1.0
Urban	43.4	48.1	53.6	60.1
Total	44.0	48.7	54.4	61.1
Policy loans	14.3	14.3	13.8	12.9
Stocks	1.8	1.1	1.2	1.4
Real estate	2.9	2.7	2.3	1.8
Other	3.5	.9	.8	.4
Total	100.0	100.0	100.0	100.0

	1935 %	1934 %	1933 %	1932 %
Interest earned*	5.45	5.46	5.65	6.35

*On mean invested assets.

Great Britain Is Increasing Life Premiums

Analysis of the statements of the first nine British life offices to present annual reports for 1935 shows an increase of nearly 15 per cent in new premium income, according to Eastern Underwriter, New York.

New premiums for these companies total 50 million pounds sterling—an increase of six million pounds sterling over the previous year. One reason for the increase is that the investing public generally is getting more educated each year to insurance, and also that there has been a substantial development to staff insurance schemes in the United Kingdom.

"The acceptance by the public," it is stated, "on an increasing scale, of the offers of the life offices, reflects growing appreciation that excellent value for money is to be had in life insurance, especially as substantial investments are still held by the institutions which were made on better terms than the current yield on gilt-edged securities. The value to the state of life insurance is recognized in a practical manner by concessions on income tax."

NORMAN W. SMITH has been appointed branch manager at Guelph for Monarch Life Assurance Co. Mr. Smith joined the company's agency department force at head office in 1923. He has been agency assistant at Guelph for a year and a half.

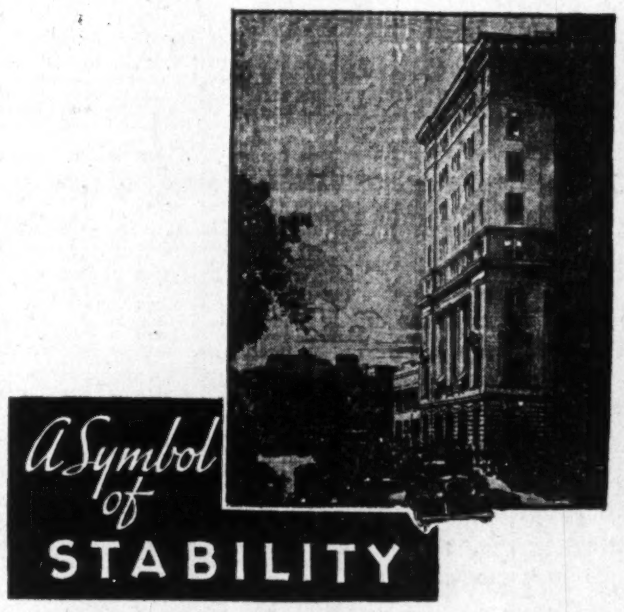
Put a lock on your Life Insurance

Make sure that the money derived from your Insurance Policies will not be squandered or lost through unwise investments.... Put a lock on your Insurance... make a Life Insurance Trust ... and place upon The Royal Trust Company the responsibility of administering it in accordance with your expressed wishes—after you are gone.

THE ROYAL TRUST COMPANY
EXECUTORS AND TRUSTEES
59 Yonge Street, Toronto
105 St. James Street, Montreal
Branches throughout Canada, in Newfoundland and in London, England
ASSETS UNDER ADMINISTRATION EXCEED $767,000,000

W. A. KENNEDY, former manager of Manufacturers Life at Winnipeg, has requested that he be relieved of managerial duties in order to devote his full time to life underwriting. During 1935, Mr. Kennedy was president of the life Underwriters Association of Canada.

THE MONARCH LIFE ASSURANCE COMPANY
Established in 1906
A PROGRESSIVE CANADIAN COMPANY
HEAD OFFICE • WINNIPEG
Splendid Agency Opportunities Available



The Great-West Life is one of Canada's outstanding enterprises, managed by men experienced in every department of the life insurance business and represented by a well-trained and painstaking agency organization. It protects homes, businesses and individuals to the extent of nearly six hundred million dollars.

Specific problems of business and partnership insurance or of personal programme objectives can be taken up with The Great-West Life with confidence and without obligation. Write to Head Office or to our nearest Branch Office.

THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE — WINNIPEG

Quotations

Montreal, Toronto Listed and Curb Prices

Canadian Bond Markets

This table is confined to official prices for actual transactions in listed stocks. Where no recent sale has taken place on stock exchanges, and for stocks that are not listed, The Financial Post endeavors to get quotations from unlisted dealers, which will be found under the heading of "Unlisted Stocks" on this page.

MONTREAL, TORONTO AND CURB STOCKS
WEEK ENDING MARCH 2

Range 1936 High	Low	Div R'te $	Feb29 Y'ld %		Sales	Last Feb. 24	Week end. Mar. 2 H	L	Cl'se
				A					
2.50	1.35	.	...	Abitibi	12821	2.00	2.50	2.00	2.12
13	6¾	.	...	Do. pref. 6%	1826	12	12	10¾	11¾
12¼	6¾	.	...	Do. cert. dep.	40	11½	11½	11½	11½
12½	12½	..	...	Acme Glove	....	12½	(Feb. 19)		
53	47	3.25	6.2	Do. pref.	5	52	53	53	53
10	9½	40c	4	Agnew Surp.	5	10	10	10	10
105	100	7	6.7	Do. pref.	10	105	105	105	105
6	4	.	...	Alta. Pac. Gr.	25	5½	5½	5½	5½
39	25	.	...	Do. pref.	145	35½	36	35½	36

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)
March 4, 1936

Dominion of Canada Bonds

		Bid Mar. 4	Asked Mar. 4	Approx. Yield	Bid Feb. 26
Dominion .. 2	15 Oct. 1936	100.35	100.70	.92	100.35
Dominion .. 5	15 Nov. 1936	102.50	102.80	1.01	102.60
†‡Dominion .. 5	1 Mar. 1937	104.10	104.55	.45	104.10
‡Dominion .. 5½	1 Dec. 1937	108.00	108.40	.63	108.05
Dominion .. 2½	15 Oct. 1939	102.25	102.75	1.72	102.25
Dominion .. 4	15 Oct. 1939	107.30	107.70	1.81	107.30
Dominion .. 2	15 Nov. 1939	101.00	101.50	1.57	101.00
Dominion .. 4½	1 Sept. 1940	101.25	110.70	2.00	110.15
Dominion .. 5	15 Nov. 1941	113.00	113.40	2.47	113.00
Dominion .. 3	15 Oct. 1942	104.70	105.15	2.14	104.60
Dominion .. 2½	1 June 1943	102.05	102.50	2.12	102.00
Dominion .. 5	15 Oct. 1943	114.00	114.40	2.90	113.90
Dominion .. 4½	15 Oct. 1944	112.00	112.50	2.85	111.75
▪Dominion .. 2½	15 Aug. '43-45	98.45	98.95	2.63	98.15
Dominion .. 4	15 Oct. '43-45	108.35	108.80	2.71▲	108.25
Dominion .. 4½	1 Feb. 1946	112.00	112.50	3.03	111.75
Dominion .. 3½	15 Oct. '44-49	103.40	103.85	2.99▲	103.10
Dominion .. 4	15 Oct. '47-52	107.35	107.80	3.21▲	106.95
Dominion .. 3	1 June '50-55	98.00	98.45	3.11	97.55
Dominion .. 4½	1 Nov. '46-56	109.65	110.15	3.39▲	109.30
Dominion .. 4½	1 Nov. '47-57	109.65	110.15	3.46▲	109.30
Dominion .. 4½	1 Nov. '48-58	109.90	110.40	3.50▲	109.50
Dominion .. 4½	1 Nov. '49-59	109.95	110.45	3.55▲	109.60
▪Dominion .. 3¼	15 Jan. '56-61	100.70	101.20	3.17▲	100.05

Dominion Guaranteed Bonds

*G. T. P. Ry. 3	1 Jan. 1962	99.75	100.75	2.91	99.25
Can. N. Ry. 3	1 May 1944	102.75	103.50	2.53	102.50
Can. N. Ry. 3	15 Dec. '45-50	97.50	98.50	3.12	97.75
Can. N. Ry. 3	15 Feb. '48-53	96.75	97.50	3.19	96.75
*Can. N. Ry. 4½	1 Sept. 1951	113.00	114.00	3.33	113.00
*Can. N. Ry. 4½	1 Feb. 1956	113.25	114.25	3.50	113.25
†Can. N. Ry. 4½	1 July 1957	111.50	112.25	3.67	111.00
*Can. N. Ry. 4¾	15 June 1955	116.25	117.25	3.51	115.50
Can. N. Ry. 5	1 Feb. 1954	115.75	116.75	3.72	115.25
*Can. N. Ry. 5	1 July 1969	116.50	117.25	3.16▲	116.00
*Can. N. Ry. 5	1 Oct. 1969	118.25	119.00	3.55▲	117.75
*M. Harb. C. 5	1 Nov. 1969	118.25	119.25	3.53▲	117.75

Provincial Government Bonds

Eastern—					
N. Bruns. .. 4	1 Sept. 1954	103.25	104.25	3.68	103.00
†N. Bruns. .. 4½	15 Apr. 1961	108.50	109.50	3.91	108.00
†N. Bruns. .. 5	15 Jan. 1960	113.25	114.25	4.06	113.00
N. Scotia .. 3	2 Sept. 1945	98.75	99.75	3.03	98.25
N. Scotia .. 4½	15 May 1943	108.00	109.00	3.09	107.50
†N. Scotia .. 4½	15 Sept. '47-52	108.75	109.75	3.46▲	108.25
†N. Scotia .. 5	1 Mar. 1960	115.00	116.00	3.96	114.50
*Ontario 4	1 June 1962	105.00	106.00	3.64	104.75
*Ontario 4½	1 Sept. 1944	110.25	111.25	2.99	109.75
Ontario 4½	1 June 1950	108.50	109.50	3.65	107.75
*Ontario 4½	15 Jan. 1962	109.25	110.25	3.87	109.00
Ontario 5	15 Oct. 1948	112.00	113.00	3.73	110.75

Municipal Bonds

St. John ... 5	15 Dec. 1950	107.50	109.50	4.14	107.50
†Toronto ... 4½	1 Jan. 1955	109.00	111.50	3.65	109.00
Vancouver . 5	1 June 1969	89.00	93.00	5.46	91.00
Victoria ... 5	21 July 1945	96.00	99.00	5.13	95.00
Winnipeg .. 5	1 Mar. 1944	105.00	107.00	3.97	104.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. •Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ▪Payable in N.Y.

The Financial Post's Quotations

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of an approximate price is better than none at all.

Mining Stock Quotations

WEEK ENDING MARCH 2, 1936

Corporation Bonds

March 3, 1936
(Furnished by Toronto Bond Traders' Assoc.)

Public Utility Issues:	Int. Rate %	Due	Bid Mar. 3	Asked Mar. 3	Bid Feb. 25
‡Avalon 'Phone.	5½	'48	101	...	...
Beauharnois ..	5½	'73	84½	87½	86
Beauharnois ..	5	'73	27½	30½	28½
*Bell T'phone ..	5	'55	115½	118½	115½
*Do.	5	'57	119	122	118½
†B. C. Power ..	5	'60	105½	107½	104
†Do.	5½	'60	105½	108½	105
†B. C. T'phone .	5	'60	107	109½	107
†Calgary Pwr. ..	5	'60	102½	105½	103
Do.	5	'64	98½	101½	99
†Can. Nor. Pr. .	5	'53	102	105	102½
Dom. Gas	6½	'45	91	94	91
§Duke-Price Pr.	6	'66	104½	107	104½
*Gatineau Pwr..	5	'56	96½	99	94½
*Do., A	6	'41	89½	92½	88½
Do., B	6	'41	87½	90½	86½
*Int'l. Hydro ..	6	'44	54	57	53½
†Maclaren-Que..	5½	'61	87½	90½	89
Do.	5½	'64	87	90	87
*Manitoba Pwr.	5½	'51	81	84	80½
†Mtl. Island Pr..	5½	'57	104	107	104
†Montreal Pr. ..	3½	'56	99	102	99
†Montr'l. Tram..	5	'55	85	88	85
†Do.	5	'41	103½	106½	103
Nat'l. L. & P...	6	'49	97½	100½	97½
†N.S. L. & Pr...	5	'58	104	107	104
†Ottawa Light .	5	'57	105	108	105

Unlisted Stocks

Unlisted Mines

March 3, 1936

	Bid	Asked
Thompson Cadillac (new)	.25	.28
Wells Long Lac	.08	.09½
Wingold	.10	.12
Wendigo	.14	.16
Young Davidson	.22	.24

Investment Trusts

	Bid	Asked
Trans-Canada	11.75	12.50
All Can. Com. Trustee Shs.	12.00	12.50
Can. Int. Trustee	5.25	5.75
Grouped Income	5.73	6.25
Can. Amer. Trustee	3.90	4.15
Can. Equity	12.50	...

Canada Cement's New Kiln Will Be Largest in Canada

Canada Cement Co. is building a new kiln at Belleville, Ont., with a capacity of 1.5 million barrels a year. It will be the largest in Canada, R. A. Crysler, Canada Cement official, told guests at a complimentary dinner tendered by Sarnia Cement Products Co. Ltd., recently.

Winnipeg Stocks

(Transactions from Feb. 24 to Feb. 29)

	Sales	High for period	Low for period	Close Feb. 29
Bailor Synd.	30	.75	.50	.75
Bailor Gold	4,300	.04¾	.03½	.03½
Cons. Goldfields	1,500	.09	.09	.09
Can. Rand.	2,650	.08	.07	.08
Flin Flon	10,080	.37	.35	.38
Gold Lake	3,675	.55	.50	.50
Gt. West Life	5	396	396	396
Home Invest.	26	25	25	25
Island Lake	6,800	.04	.03½	.04
Kingfisher	12,000	.02½	.02	.02½
Knee Lake	2,900	.05½	.05	.05½
Ore Grande	1,500	.08	.08	.08
Rice Lake	1,500	.09	.09	.09
Optic Lake	655	2.10	2.00	2.00
Packsack	500	.27	.27	.27
United Grain	41	13	12½	12½
Wingold	9,585	.11	.09	.09
Wylie Dom.	1,000	.39	.38	.38
West. Steel, pf.	5	6	6	6
Scattergood	4,300	.10	.07½	.10
Vanson Man.	1,200	.03½	.03	.03
Wallace Lake	7,500	.03½	.03½	.03½

Stocks Not Traded in During Week*

	Bid	Ask.
Beaver Fire Ins.	..	100
Comm Securities	..	10
Crescent Cream, pf.	35	..
North. Trust	7	..
Pelissiers	..	½
Do., pref.	50	..
Traders Bldg.	71	..

*Stocks more active on other exchanges not included.

Mining Dividends

	Rate	Close Mar. 2	Yield %
Anglo-Huronian	20c	4.40	..
Buff. Ankerite	20c	5.40	3.7
Bulolo Gold	2.60	33.00	7.9
Cariboo	10c	1.40	7.1
Coniagas†	12½c	3.25	..
Cons. Smelters	$2.50+$4	244.00	..
Dome Mines	$2+$2	47.75	8.4*
Falconbridge	30c	9.25	3.2
Hollinger	.65c+25c	15.00	5.6*
Howey Gold	5c	.67	..
Hudson Bay	$1	27.25	..
Int. Coal & Coke‡	1c	.20	..
Inter. Mining	60+5	14.25	4.5*
Int. Nickel, c.	$1	52.25	1.9
Kirk. Lake‡	3c	.47	..
Lake Shore	$2+$2	57.50	6.9*
Macassa	15c	4.56	3.3
McIntyre	$2	43.37	4.6
McKinley Sec.	5c	.55	..
McWatters Gold†	5c	1.44	..
Nipissing	25c	2.77	..
Noranda	$2	49.50	4
Pickle Crow†	5c	4.94	..
Premier	12c+1c	2.40	5.4*
Pioneer, B.C.	80c	10.00	8
Reno	12+2c	1.12	12.4*
San Antonio	21c	2.90	7.3
Siscoe	20c+1c	3.15	6.6*
So. Amer. Gold	30c	6.25	4.8
Sunshine	50c	21.00	..
Sylvanite	20c	2.62	7.6
Teck-Hughes	40c	5.00	8.1
Toburn	8c	1.35	5.9
Wright-Har.	40c+20c	8.33	7.2*
Ymir Yankee†	2c	.42½	..

‡Interim. †Initial. *Yield includes bonus.

Listed Bonds

Week Ending Mar. 2, 1936

Mtl. L. H. & P. Debs.	3	'39	51	50¾	51	50
McNish	6	'48	3.00	..	3.75	3.00

Metal Prices

New York—Mar. 3—
Copper: Electrolytic spot and future, $9.50 to $9.50.
Silver: 44¾c.

London—Mar. 3—
(Long Ton)—
Copper: Electrolytic spot, £39 17s 6d; future, £40 2s 6d. Standard spot £35 12s 6d; future £36.
Tin: Spot, £209 15s; future, £202.
Lead: Spot, £16 5s; future, £16 10s.
Zinc: Spot, £16; future, £16 7s 6d.
Gold: 141s 1d.
Silver: 19⅝d.

Canada—Mar. 3—
Gold: $35.12.

Company Earnings Reports

Dunlop Tire

Despite a substantial increase in sales, Dunlop Tire and Rubber Goods Co. Ltd. reports a loss, after all charges, again in 1935. Net deficit, however, was over $71,000 less at $152,588. Higher costs of raw materials and lower prices for products as a result of unsettled conditions in the tire market were responsible for a lower margin of profits.

Satisfactory progress for Canadian Lastex Ltd., in which Dunlop Tire owns $300,000 of seven per cent debentures and 50 per cent of the common stock, is recorded. Earnings were sufficient to pay all arrears of debenture interest up to the end of 1934 and also part of the interest due in 1935. In view of working capital being in excess of requirements, Canadian Lastex repurchased $50,000 of its debentures from Dunlop Tire, reducing the latter's investment to $300,000.

Income and Surplus Account
As at December 31

	1935	1934
	$	$
Operating loss	24,814	74,813
Add: Depreciation	181,759	174,045
Employees' retir. allowances	......	9,800
Corporation tax	2,047	1,694
Less: Int. on secur.	43,973	31,703
Profit, sale of govt. secs.	12,058	4,561
Net loss	152,588	224,088
Add: Prev. deficit	1,006,923	798,094
Trans. from res. for deprec. of gov. secs.	......	15,259
Deficit forward	1,159,511	1,006,923

Working Capital

	1935	1934
	$	$
Current assets	1,532,165	1,630,409
Current liabilities	118,712	201,489
Working capital	1,413,453	1,428,920
Ratio	12.98—1	8.09—1

Intercolonial Coal

Intercolonial Coal Co. reports a contraction in operating profits during 1935, as a result of a drop in production from 167,718 tons in 1934 to 128,731 tons last year. Income from investments did not show much change, but the total income of $44,268 was less than half of that reported in 1934 when it totalled $94,636. The usual dividends were paid on the preferred and common stocks, leaving a deficit for 1935 of $37,845, as against a surplus of $6,797 in 1934.

The only change of any particular interest in the balance sheet is a reduction in the outstanding preferred stock of $202,300 to $201,500.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
Operating income	$ 20,518	$ 71,130
Investment income	23,750	23,506
Total revenue	44,268	94,636
Less: Taxes	5,977	11,635
Pref. dividends	16,136	16,204
Common dividends	60,000	60,000
Surplus	†37,845	6,797
Previous surplus	*422,249	416,393
Carried forward	384,404	423,180

†Deficit. *Adjusted.

Working Capital

	1935	1934
Current assets	$609,072	$644,848
Current liabilities	21,101	37,012
Working capital	587,971	607,836

Dominion Coal

Dominion Coal Co.'s operating profit in 1935 was just short of $1,700,000, being a decline of about $1.1 millions from that reported in 1934. After all charges, net profit available for dividends on the preferred stock amounted to $503,093, as against dividend requirements of $360,000. This compares with a net profit of $755,522 in 1934.

Tonnage of coal sold last year was 3,794,328 tons, as against 3,875,841 tons in 1934.

The change in the capital structure, involving a reduction in the outstanding common stock from $16 millions to $12 millions, and an increase in preferred stock from $3 millions to $6 millions, is reflected in the current balance sheet. The statement also shows a reduction in the funded debt of $390,000. On September 1, 1935, $260,000 ten-year 4 per cent serial equipment bonds, guaranteed by Dominion Coal Co., were issued by Dominion Rolling Stock Co., a wholly-owned subsidiary. This amount represents 75 per cent of the cost value of 100 standard steel hopper cars and 20 air dump stone cars purchased for use on the property of Dominion Coal.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
Operating profit	$1,699,531	$2,840,347
Less: Springhill rental	30,000	125,697
Net revenue	1,669,531	2,714,650
Less: S.F. & deprec.	730,000	1,503,677
1st mort. interest	113,708	129,457
Other bond interest	208,549	210,000
Other interest	114,181	115,975
Net profits	503,093	755,522
Less: Pref. dividends	360,000	......
Surplus	143,093	755,522
Brought forward	404,256	*351,266
Carried forward	547,349	404,256

*Deficit.

Working Capital

	1935	1934
Current assets	$4,350,617	$4,523,987
Current liabilities	962,728	829,478
Working capital	3,387,889	3,694,509

Walkerville Brewery

Walkerville Brewery Ltd. showed a net profit before depreciation in 1935, compared with a loss in 1934. However, after charging depreciation, there was another deficit, with the result that the previous surplus has been turned into a deficit of $4,487 on the balance sheet.

Income and Deficit Account
For Years Ended Dec. 31

	1935	1934
	$	$
Sales	......	662,248
Cost of goods sold	......	437,978
Gross profit	148,888	224,270
Taxes	145,752	256,512
Oper. profit	3,136	*32,242
Add: Misc. inc.	7,493	15,097
Int. earn on bds.	......	1,453
Net earnings	10,629	*15,692
Depreciation	29,475	30,039
Net loss	18,846	45,731
Add: Prev. surplus	14,359	69,378
Cash for invent. adj.	......	100,000
Less: Invent. adj.	......	100,000
Taxes prior year	......	2,000
Tax adjust.	......	7,289
Balance forward	*4,487	14,359

*Loss.

Working capital

	1935	1934
	$	$
Current assets	326,177	350,104
Current liabilities	9,531	23,753
Working capital	316,646	326,351
Ratio	34.22—1	14.73—1

Willard's Chocolates

Improvement in sales of Willard's Chocolates is reflected in the company's earning statement for 1935, net loss after all charges being reduced from $14,945 in 1934 to $137 in 1935 despite a larger provision for depreciation.

Working capital increased by over $69,000 during 1935, amounted to $239,681 at the end of the year. Bank loans were reduced by $44,000 to $64,508 while accounts payable increased from $32,319 to $53,723.

During the year the company received the final payment on purchase of its Dupont Street plant by Silverwoods Dairies. As a result this item of $257,494 disappears from the balance sheet.

Preference dividends accrue from March 1, 1935, and are in arrears from that date.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Net earnings	70,313	46,055
Less: Depreciation	70,001	61,000
Taxes	450	......
Net loss	137	14,945
Add: Prev. surplus	14,463	*26,997
Bal. at credit of Dupont St. lease rental acc.	......	56,405
Bal. carried forward	14,326	14,463

Working Capital

	1935	1934
	$	$
Current assets	361,699	321,079
Current liabilities	122,018	150,745
Working capital	239,681	170,334
Ratio	2.96—1	2.13—1

Dosco

Operating profits of Dominion Steel and Coal Corp. increased nearly $300,000 to just short of $1.3 millions in 1935 as compared with the previous year. After taking care of all cash outgo, there was a surplus of $24,128, compared with a book deficit of $674,936 in 1934.

The balance sheet reflects a number of changes incidental to the capital reorganization carried out last year, when the direct funded debt was reduced and changed from a fixed to an income-paying basis. As a consequence, the funded debt was reduced from $9.3 millions to $6.8 millions. Bank loans were cut from $3.6 millions to $3.2 millions. Deferred property payments show a drop of $50,000 to $600,000. Accrued interest which was shown at $1.1 millions in 1934, was liquidated by the refinancing plan and only a nominal item is shown in the current account.

The investment in associated companies dropped from approximately $5.7 millions to $2.2 millions, due to the action of the company in giving its holdings of Dominion Coal income bonds to the holders of the old Dosco debentures.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
Operating income	$1,295,633	$1,008,178
Less: Loan interest	204,385	†735,839
Deprec. & depletion	945,900	947,275
Debenture interest	121,220	......
Balance	24,128	*674,936
Brought forward	61,389	*1,549,173
Carried forward	85,517	*2,224,109

†Includes debenture interest. *Deficit.

Working Capital

	1935	1934
Current assets	$8,513,821	$8,593,778
Current liabilities	4,250,114	6,235,806
Working capital	4,263,707	2,357,972

Canadian Celanese

Canadian Celanese's financial statement for 1935 shows a moderate increase in gross and net profits. The amount available on the common stock was equal to $3.88 a share, as against $3.49 in the previous year, without taking into consideration the participating dividend on the preference.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Gross revenue	2,303,797	....
Less: Legal fees	10,424	....
Exec. salaries	72,280	....
Gross profit	2,221,093	2,124,971
Less: Depreciation	325,393	292,693
Taxes	285,000	297,354
Directors' fees	7,740	*30,215
Net profit	1,602,960	1,504,709
Preferred dividend	630,000	630,000
Participating divid.	171,900	....
Interest on rights	89,000	....
Balance	712,060	874,709
Brought forward	†1,690,647	†1,346,791
Dividend arrears	....	202,500
Special reserve	....	300,000
Surplus forward	2,402,707	1,719,000

†Adjusted. *Including $16,000 salaries paid to directors.

Working Capital

	1935	1934
	$	$
Current assets	4,021,914	3,586,397
Current liabilities	723,962	508,288
Working capital	3,297,952	3,078,109

Great West Saddlery

Substantial improvement in earnings during the last half of 1935 enabled Great West Saddlery Co. Ltd. to report a net profit of $2,753 for the 18 months ended Dec. 31, 1935. This compares with $10,981 in the year ended June 30, 1934.

In the 12-month period ended June 30, 1935, the company reported an operating deficit, but earnings in the last six months of 1935 were more than sufficient to offset this. For the six months ended Dec. 31 last, net earnings were $11,500 in comparison with $1,922 in the corresponding period of 1934.

Deductions from operating revenue include, the report states, a special provision of $20,000 to be added to the reserve for non-current receivables.

Sales, the company reports, were adversely affected by drought, rust and uncertainty regarding business which accompanies federal and provincial elections. The outlook for the first half of 1936 is uncertain. Intense cold weather has had an adverse effect on sales.

Income and Surplus Account
Year Ended June 30

	1935	1934
	$	$
Net earnings▲	135,994	84,408
Add other rev.	1,392	......
Less: Deprec. reserve	54,040	37,970
Bond interest	44,490	35,457
Executive sal.	33,619	......
Income taxes	2,484	......
Net profit	2,753	10,981
Add: Prev. deficit	367,805	378,786
Deficit carr. forward	365,052	367,805

▲After executive salaries in 1934. Salaries shown in 1935 as deduction from net earnings.

Working Capital

	1935	1934
	$	$
Current assets	1,022,206	1,046,471
Current liabilities	148,099	192,996
Working capital	874,107	853,475
Ratio	.90—1	5.42—1

Moore Corp.

Moore Corp. in 1935 earned $19.15 a share on 49,656 preferred shares as compared with $13.36 a share in 1934. There was available for common stock $2.18 a share as compared with $1.14 a share in 1934. Actual dividends paid were $1 a share, just double those paid in 1934.

The improvement in business is attributed by S. J. Moore, chairman of the board, and E. G. Baker, president, "partly to the better general business conditions, and partly to the successful working out of the Corporation's policies for broader market coverage, improved manufacturing practice and more effective control in all departments. All operating divisions earned satisfactory profits for the year."

Consolidated Income and Surplus Account
Years Ended December 31

	1935	1934
	$	$
Net earnings	1,595,012	1,285,421
Less:		
Int. on subsid. bonds	7,905	24,460
Prov. for deprec.	417,289	423,716
Prov. for fed. taxes	218,840	173,944
Net profit	950,978	663,301
Less appropriations:		
Pref. A dividends	230,153	230,153
Pref. B dividends	117,439	117,439
Common dividends	276,241	138,121
Surplus for year	327,145	177,588
Add: Prev. surplus	606,130	428,542
Bal. carried forward	933,275	606,130

Working Capital

	1935	1934
	$	$
Current assets	4,229,348	3,435,554
Current liabilities	954,939	644,328
Working capital	3,274,409	2,791,226
Ratio	4.31—1	5.33—1

Canada Wire

Net income of Canada Wire and Cable Co. during 1935 recorded a sharp increase, having amounted to about $545,000, as compared with $219,215 in 1934. The volume of business in 1935 was better than a year ago, being 77.5 per cent of 1931 (considered a normal year) compared with 63.2 per cent in 1934. After taking care of all charges, there was a net profit of $195,064 equivalent to $6.50 a share on the 6½ per cent preferred stock. This compares with net profit of $6,636 in 1934, or 22 cents a share on the preferred.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Operating profit	593,647	....
Other income	13,069	*
Total income	606,716	......
Less: Exec. salaries	†60,900	......
Net revenue	545,816	219,215
Less: Depreciation	218,361	160,000
Moving exps.	24,911	52,329
Directors' fees	460	250
Taxes	46,130	......
Net profit	195,064	6,636
Brought forward	83,979	77,343
Carried forward	279,043	83,979

*Other income $21,820. †And legal fees.

Working Capital

	1935	1934
	$	$
Current assets	2,326,230	2,924,983
Current liabilities	188,846	804,724
Working capital	2,137,384	2,120,259

Imperial Tobacco

Imperial Tobacco Co. of Canada's gross income for 1935 was just short of $7 millions. After deduction of legal fees, executives' salaries and bonuses, net revenue of $6.7 millions, was roughly the same as in 1934.

The balance sheet does not show any unusual changes among the liabilities, but there are a number of changes among assets. A new item in the 1935 statement is government bonds to the value of nearly $4.3 millions. This is offset in part by an item of "other investments" to the value of $3.1 millions, which appeared in the 1934 report but is not shown in last year's statement.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Gross income	6,996,464	....
Less: Legal fees	21,387	....
Exec. salaries & bonuses	270,951	....
Net revenue	6,704,126	6,692,916
Less: Depreciation	178,395	113,009
Prov. invest. subs.	....	125,000
Income tax	681,787	635,139
Preferred divds.	481,800	493,098
Common divds.	4,961,791	4,961,792
Surplus	400,353	364,878
Brought forward	8,500,488	8,138,486
Less: Tax adjustment	58,000	2,876
Carried forward	8,842,841	8,500,488

Working Capital

	1935	1934
Current assets	19,748,747	17,207,802
Current liabilities	1,816,410	1,732,145
Working capital	17,932,336	15,475,656

George Weston

George Weston Ltd. had higher sales and profits in 1935 than in 1934. Returns from various ventures in England, Scotland and Ireland are not given.

The present statement is a consolidation of results obtained by William Paterson, Brantford, the Weston Biscuit Co. operating in the United States and the George Weston Bread & Cakes.

Actual earnings on 375,882 no par value common shares equal $1.08 a share as compared with $2.08 a share in 1934 on 187,927 no par value shares. In the interim the shares were split two for one.

Consolidated Income and Surplus Account
Years Ended December 31

	1935	1934
	$	$
Net oper. profit	736,992	672,871
Inc. from invest.	28,781	......
Less: Officers & dir. fees	64,266	700
Res. for deprec.	112,500	98,980
Interest	38,504	35,612
Res. for income tax.	72,220	73,270
Net profit	478,283	464,309
Less: Divds. on shs. held by public:		
George Weston:		
Preferred	63,000	62,946
Common	206,640	180,695
William Paterson:		
Preferred	4,308	4,016
Geo. Weston Bread & Cakes:		
Preferred	5,436	6,121
Surplus for year	198,899	210,531
Add: Prev. earn. surp.	451,308	▲292,158
Trans. from conting. reserve	......	50,000
Less: Approp. for sales & adjust., plant & equipment	......	1,967
Geo. Weston Bread & Cakes, pref. div. arrears pd.	......	13,955
Adjust. prev. periods	......	13,287
Tax adjust.	2,367	......
Exps. of promot. & devel. w/o	......	72,172
Consol. earn. surp. fwd.	647,840	451,308

▲After consolidation and adjustments.

Working Capital

	1935	1934
	$	$
Current assets	1,633,700	1,650,526
Current liabilities	619,097	547,875
Working capital	1,014,603	1,102,651
Ratio	2.63—1	3.01—1

Montreal Cottons

Montreal Cottons' financial statement for 1935, for the first time in several years, shows earnings on the common stock. While the amount available for the junior security is small, being only $34,987, it represents considerable improvement over 1934 when there was a deficit of $208,862 after payment of preferred dividends.

With the increased earning power, the balance sheet underwent strengthening during the year. Bank loans were reduced from about $1.2 millions to $604,000. Bonded debt was lowered by $15,000 to $404,414. Cash position and accounts receivable show moderate increase, while inventories remain about the same. On the other hand, investments declined from $583,899 to $377,626, the market value dropping in proportion, or from $514,644 to $322,409.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
Gross revenue	$ 681,183	$ ......
Less: Legal expenses	4,094	......
Executive salaries	24,343	......
Net revenue	652,746	374,322
Less: Bad debt res.	5,525	16,139
Depreciation	330,196	322,491
Bond interest	20,638	22,909
Income tax	45,000	500
Directors' fees	6,400	11,145
Net profit	244,987	1,138
Pref. dividends	210,000	210,000
Surplus	34,987	*208,862
Brought forward	20,910	33,372
Less: S. F. reserve	34,664	......
Add: Trans. from res.	......	196,400
Carried forward	21,233	20,910

*Deficit.

Working Capital

	1935	1934
Current assets	$2,404,405	$2,337,558
Current liabilities	1,371,456	1,648,131
Working capital	1,032,949	689,427

Dominion Tar

Dominion Tar and Chemical Co.'s net operating profit shows an expansion from $553,629 in 1934 to $966,011 in 1935. Net income was sufficient to take care of depreciation, interest charges and dividends on underlying stocks, whereas in the previous year there was a deficit after these charges.

The balance sheet shows a reduction in outstanding debentures of nearly $200,000 to $4,782,000. Minority interest shows a small decline. Among the assets, inventories increased over $90,000, while the company's own debentures held in the treasury advanced from $18,650 to $75,687.

Income and Surplus Account
Years Ended Dec. 31

	1935	1934
	$	$
Gross revenue	1,066,506	......
Less: Legal fees	6,296	......
Exec. remuneration.	94,199	......
Net revenue	966,011	553,630
Less: Depreciation	350,214	301,802
Debent. interest	292,772	304,050
Exchange premium	3,193	3,118
Income tax	72,630	5,222
Directors' fees	3,640	3,460
Net profit	243,562	*64,022
Less: Underlying divs.	19,692	21,457
S.F. on under. stocks	3,934	3,743
Surplus	219,936	*89,222
Discount on debent.	3,376	18,132
Previous surplus	518,098	589,188
Carried forward	741,410	518,098

*Loss or deficit.

Working Capital

	1935	1934
Current assets	2,404,405	2,337,558
Current liabilities	1,371,456	1,648,131
Working capital	1,032,949	689,427

Additional company earnings on page 17

Week In Wheat

Flour Sales Help

Markets Being Regained

From Our Own Correspondent

WINNIPEG.—Increased flour bookings in the United Kingdom, both by British and by Canadian millers have contributed strength to the wheat market during the past few days. This is regarded as a highly encouraging symptom, and if continued will be of real importance. It will help to overcome one long continued source of weakness in the market, the reluctance of bakers to buy except from hand to mouth, which has kept unduly large quantities of wheat in visible position, and unduly small quantities in invisible supplies.

It is highly important too that increased quantities of Canadian flour are commencing to be sold. Canadian millers had lost a large share of their former export business to the United Kingdom during the period when Canadian wheat prices were much out of line, with those of the rest of the world. That was not to be regained immediately when price adjustment was effected, but it begins to appear that some of the business, at least, is coming back.

Liverpool Stronger

LIVERPOOL has been showing satisfactory strength since the beginning of the month. It had been feared that there might be heavy deliveries of Australian wheat on the March contract, resale of which might tend to weaken the price structure. But actually deliveries have been comparatively small. That situation is the more gratifying because stocks of wheat afloat to Europe are being rapidly built up by the heavy shipments of Australian wheat. It has been particularly encouraging to observe strength at Liverpool at a time when Chicago seemed to be hesitating badly.

* * *

Exports Improving

THE past week has seen substantial business in Canadian wheat, both actual shipments and buying of futures contracts against shipments to be made in the future. Supplies on hand have been depleted by more than 5 millions of bushels, when actual overseas shipments are combined with United States takings for domestic milling.

There is little evidence of speculative interest, but evidence in the way of fixing of freight contracts, and in securing of definite quantities of various grades in specified positions, would indicate that sales will be followed by actual shipments. These cover commitments mainly spread over March, April and May.

* * *

Plenty of Snow Here

FROM many points in the grain growing areas of the Prairie Provinces unusual snowfall is reported. This, in the opinion of old-timers, augurs well for the 1936 crop. Much will depend, however, on how this snow disappears. If the weather remains cold, and so far it has been one of the most severe winters in 50 years, it is probable that much of the snow will run off in the form of water, while the underlying ground remains frozen. Such would only be of advantage to live stock. On the whole, however, moisture conditions are believed to be better than a year ago, which in turn was much improved over 1934.

* * *

Dust Storms in U. S.

DUST storms in the fall wheat states of the Southwestern U. S., on the other hand, definitely indicate moisture shortage in that territory. Many communities report the heaviest storms since those of a year ago. Then much of the winter wheat crop was badly damaged. From July to December precipitation was only about half of normal. Top soil is reported quite dry.

A careful survey of the Texas panhandle reveals that close to 50 per cent of the wheat fields are badly blown with dust storms already. In some areas total loss will run as high as 25 per cent. In other districts, wheat has been so buried under dust that the outcome, in the event of further high winds, is problematical.

* * *

Good Seed Needed

CHIEF immediate problem facing the spring wheat areas of the northern United States and the three Prairie Provinces of Canada is admittedly to be one concerning seed. Although there is still a carry-over of wheat from the 1934 crop which would make good seed, farmers in recent dry and rust areas of the two countries are not in a position to pay for new stocks. Many, it is feared, will be obliged to sow their shrivelled, rust-affected wheat, and run chances on favorable weather conditions to bring it through to maturity. Tests show that such wheat will germinate, but it needs unusually favorable weather, particularly when getting started in the spring to bring it along with any maximum hope of success.

* * *

Farm Bins Empty

WITH weekly deliveries of wheat to country elevators now down close to the half-million bushel mark, observers believe that nearly all marketable grain is now out of farmers' hands. Deliveries were made much earlier this season, the Dominion Bureau of Statistics estimating that up to the middle of January nearly 85 per cent of the marketable supply had come forward as compared with about 75 per cent the previous year.

From the beginning of the crop year August 1, 1935, to the third week in February, Sanford Evans Statistical Service estimated that approximately 185 millions of bushels had been delivered to country elevators. The total crop in 1935, according to the last government estimate, was 277 millions of bushels, but after allowing for normal farm feed and seed requirements it was estimated that approximately 220 million bushels would go into ordinary commercial consumption.

Grain Probe Less Likely; Other Worries

1930 Crop Payment Whets Appetite for More Government Money

STRONG CLAIMS

From Our Own Correspondent

OTTAWA.—With prospects of a wheat board enquiry tending slightly to fade, the spotlight so far as wheat is concerned has shifted to the $6 million wheat pool deal announced by Premier W. L. M. King.

The government has committed itself to a minimum wheat price to pool farmers on the 1930 crop of 60 cents per bushel (basis No. 1 Northern Fort William) involving this sum of money. Payment, so far as is known, is to be to the pools and will be the final settlement for the wheat taken over from them by the Wheat Board on Dec. 2, 1935.

Demand More

Non-pool farmers, who received less than 60 cents for their 1930 wheat, are demanding equality of treatment. There is no official estimate of the money involved in this claim—unofficially $3,000,000 is mentioned. Prairie farmers who sold their wheat last fall before the Wheat Board fixed the minimum price at 87½ cents (No. 1 Northern) and who received less than this amount on the open market, are demanding that the government make good the deficiency. There is no estimate of any kind of the cost on this score.

1935 Crop Claims

Action of the government in opening the door to one class of western wheat producers unquestionably has been the signal for attacks on the treasury from many quarters of the wheat belt; attacks which will be exceedingly difficult to resist. This is particularly true when it is generally conceded that non-pool farmers have just as sound a case for compensation on the 1930 crop as have the preferred pool-ites. The 1935 claimants, admittedly, have a much better case than either of the other two.

It seems inevitable that the 1935 claim will be conceded. The facts are as follows: The Wheat Board Act, 1935, instructed the board to fix a minimum price (to be approved by order-in-council) for the 1935 crop.

The board did not do so until a part of the crop had been harvested and sold. Then a price was fixed which exceeded earlier market levels by as much as 13 cents per bushel on some of the lower grades. The farmers who through no fault of their own, failed to get this higher price (the statutory minimum) contend they were deprived of their lawful rights under 1935 legislation. They are being supported by western governments and the grain trade generally.

Probe Less Likely

Prospects for a wheat board enquiry by a Commons' committee are believed fading because of the failure, to date, of Rt. Hon. R. B. Bennett to move for the probe. Mr. Bennett when he made his charges against the Murray Wheat Board announced that he would ask for an enquiry. Hon. W. D. Euler, minister of trade and commerce, assured him on behalf of the government that his request would be granted. There the matter rests. Whether or no the government will take the initiative, should Mr. Bennett continue to let the matter drift, is not clear.

Rumor Wheat Board Extends Favors to Canadian Mills

British Story Creates Resistance to Wheat Sales

"ATTACK OF NERVES"

A rumor going the rounds of British Milling Company accuses the Canadian Wheat Board of extending or promising favors to Canadian flour exporters. Milling, a leading British flour journal published at Liverpool, declares that such a policy would be of far more serious concern than another rumor to the effect that the Canadian Board was prepared to sell large blocks of wheat at the buyer's price.

Indirect Wheat Boost

Milling supposes that the suggestion has been made to the Board that, if help were given to Canadian millers to enlarge their hold on the European market, European millers would be compelled to use more Canadian wheat to produce flour of strength similar to Canadian flour. While making no comment as to the probable accuracy of the rumor, this British journal warns the Canadian Wheat Board that in the event of Canadian millers being favored, British millers will ransack the world for wheat rather than use Canadian.

Circulation of such rumors, naturally, is viewed by salesmen of both Canadian wheat and flour overseas, with apprehension. All tend to offset present efforts of the Canadian Wheat Board to break down sales resistance in Europe.

Attack of Nerves

"There seems to be no foundation nor justification that the Canadian Wheat Board has adopted, or contemplates adopting, the policy of favoring Canadian mills," states C. F. G. Raikes of the Northwestern Miller. "It would seem that either Milling or certain of the British millers are suffering from an attack of nerves brought about by the fact that as the millers are now forced to use large quantities of Canadian wheat, there being less cheap wheat available, the price differential between home-milled and Canadian flours is growing smaller."

Conferences

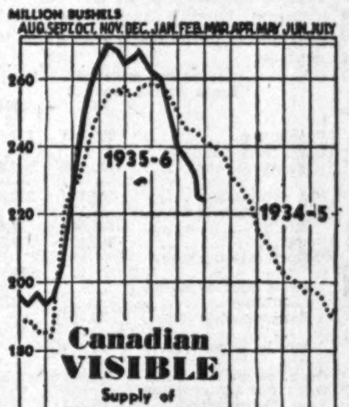
No doubt recent conferences between officials of the Canadian Wheat Board and Canadian milling concerns have given rise to the rumors mentioned. It is the firm opinion among Canadian millers that Canadian flour in foreign markets is often the spearhead for Canadian wheat. Such authorities argue that once bakers in other countries commence using high quality Canadian wheat flour, their competitors in order to hold customers must use flour of similar quality. To produce such would require purchases of Canadian or similar quality wheat.

Inequalities

It is quite possible that this argument, which is a common one among Canadian milling men, might be mentioned in any conversation with Board officials. It is also possible that the Canadian export millers' stand on certain freight rates might be outlined, though just where the Board would be able to help in this connection is problematical.

From time to time The Financial Post has pointed out that it is cheaper to ship flour in the form of grain than as milled flour to Great Britain. It is also cheaper to ship flour from Liverpool to the West Indies than from much nearer Canadian ports.

Still Dropping



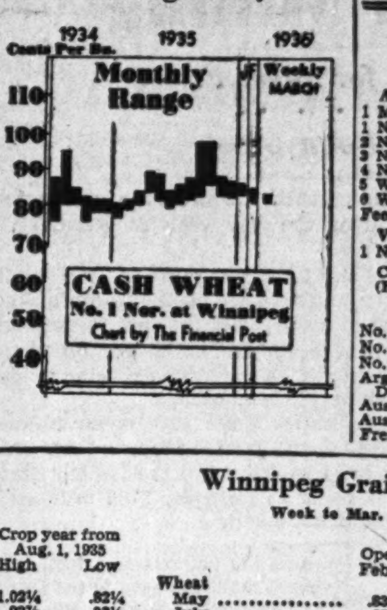
Stocks of Canadian wheat in commercial storage continue to decline rapidly. Well over five millions of bushels was lopped off the Canadian visible last week and practically the same amount was cleared for export. Farm deliveries to country elevators appear to be nearing completion.

Details of visible and export clearances are as follows:

Feb. 28	week previous	year ago
Canadian Visible		
222,858,000	228,353,000	240,802,000
Export Clearances‡		
5,289,765	4,191,675	1,006,700

‡ Plus U. S. imports.

Holding Steady



Wheat Prices

(Cash Quotations)

	For Week Mar. 3 High	For Week Mar. 3 Low	Prev. Week High	Prev. Week Low
At Winnipeg:	$	$	$	$
1 Man. Hard	.84½	.82½	.83⅝	.87⅞
1 Northern	.83½	.81⅜	.82⅛	.81
2 Northern	.81	.78⅝	.79⅝	.78¾
3 Northern	.77	.74⅞	.75⅝	.74⅝
4 Northern	.74	.71½	.72⅝	.71⅝
5 Wheat	.66¼	.63⅝	.64⅞	.63⅝
6 Wheat	.56¾	.54¼	.55⅝	.54⅝
Feed Wheat	.47⅝	.45¼	.46⅛	.45⅝
Vancouver: Week to Feb. 28:				
1 Northern	.84	.83	.81⅜	.81¼

Competitive Export Prices: (Feb.-Mar.) shipment:

	High Week to Feb. 28	Low Week to Feb. 28
No. 1 North. (Vanc.)	1.00⅝	0.99
No. 2 North (Atlan.)	1.00	0.96½
No. 2 North. (Vanc.)	1.00	0.98
Argentine Rosafe	unquoted	
Do., Barusso	unquoted	
Australian (Afloat)	0.94½	0.93⅝
Australian (March)	0.94⅝	0.92¾
French (Feb.)	0.80⅝	0.79⅝

Winnipeg Grain Prices

Week to Mar. 3, 1936

Crop year from Aug. 1, 1935 High	Low		Open Feb. 26	High for week	Low for week	Close Mar. 3
		Wheat				
1.02¼	.82¼	May	.83⅝	.85⅛	.83⅛	.83¼
.92⅞	.83⅛	July	.85⅜	.86⅞	.84⅛	.84⅛
.89	.82⅛	Oct.	.84⅝	.86⅛	.83¾	.84
		Oats				
.35⅝	.29⅝	May	.32¾	.33¼	.32⅝	.33⅛
.33⅝	.30	July	.32⅜	.32⅝	.32	.32⅛
		Barley				
.42½	.34⅝	May	.38¾	.39½	.38⅝	.39
.40⅛	.35⅝	July	.39⅝	.39⅝	.39	.39⅝
		Flax				
1.65	1.33	May	1.59	1.59½	1.57¼	1.58
1.63	1.40¼	July	1.56¼	1.57⅛	1.54¼	1.54¼
		Rye				
.51⅞	.41¼	May	.44	.45⅛	.42⅞	.44⅝
.48½	.43⅛	July	.46	.46	.43⅞	.45⅝
.48⅝	.46⅝	Oct.	.47⅝	.47⅛	.45½	.47⅛

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Week In Mining —

Outlook for Silver Prices

* * * *

Siscoe's Donnybrook

The tendency of the mining market to stress the lower priced issues, first noticeable during the last week in February, is apparently continuing.

To the gold prospecting and oil stocks must go much of the credit for making February mining sales on the Toronto Stock Exchange the third highest in history. For the first three weeks of last month, turnover averaged around 2 million shares daily. Cash figures for the month, as might be expected in such a situation, were lower than previous months.

Although inflation possibilities have lost most of their effectiveness as prime mover in the market picture, their presence will probably continue to be felt until the United States Congress decides how it is going to raise the $786 millions in new taxes asked by President Roosevelt.

Outlook For Silver

IN ITS annual bullion letter, Samuel Montagu & Co. veteran bankers and bullion merchants of London, Eng., view the silver situation with obvious apprehension.

The uncertainty created by the fact that the silver market is dependent on one buyer, namely, the U.S. treasury, is stressed. To this uncertainty, is added the uncertainty inherent in the policy of this buyer, the government having admitted that the monetary policy of United States is on a 24 hour basis.

"The market having reached a position of dependency on one buyer," the letter concludes, "who either directly or indirectly, caused a rise in prices to an artificial level, an abrupt change of policy on the part of that buyer could have no other than a disorganizing effect, and there must necessarily ensue a period of adjustment to new conditions; pending clarification of the intentions of the American treasury, the outlook must remain uncertain and any forecast as to the future trend of prices impracticable."

* * *

No Light on Chibougamau

SHAREHOLDERS of Consolidated Chibougamau Goldfields and others were disappointed when, at the recent annual meeting in Montreal, no further information on developments at this enigmatic area was forthcoming.

Prior to the meeting the hope had been widely expressed that some definite light on progress obtained would be shed.

However, Smelters has adhered to its close-lipped policy, with the result that the investing public is left to speculate on the possibilities of the property.

The undesirable market conditions which may result from such a policy were recently demonstrated when the stock of Chibougamau, fed by obviously impossible rumors as to ore reserves and grade, climbed to unwieldy height on Canadian exchanges. Apart from a rather tardy statement, containing little information, Smelters has as yet done nothing to remedy the condition which gave rise to such a market.

* * *

Mining vs. Relief Camps

HON. T. A. CRERAR, Minister of Mines, in his weekly address over the Radio Commission network recently coined a good slogan when he said: "Let our motto for the next five years be mining camps instead of relief camps."

Mr. Crerar illustrated in dollars and cents how the mining industry has provided direct employment and indirect employment in the three major fields of industry, primary consumer goods industry, capital goods industry and the service industries. He pointed out how, particularly in the metal mining industry, employment had been increased during depression years and the average scale of wages maintained, despite the tendency to reduce wages in other industries.

The minister estimated that in 1934 $30 millions of a total payroll of $88 millions went to the purchase of foodstuffs; another $10 millions for clothing, and an additional $13 millions in household equipment.

Mr. Crerar urged Canada to aim at doubling gold production within a limited period of years.

* * *

Siscoe's Donnybrook

JUST about the time when people are getting interested in the National Hockey League play-offs, shareholders of Siscoe Gold Mines can be counted on to stage a fracas which, in intensity of feeling, makes the annual hockey holocausts look like child's play.

This year, an "Old Board Shareholders' Committee" comprised chiefly of directors dropped at the last annual meeting, are seeking to return the compliment, and are making certain charges, details of which appear elsewhere in this issue.

A study of Siscoe's annual report indicates that the Old Boys, or rather, Old Board, will find little ammunition in the record of the actual mine under the present management, whether or not they can prove anything amiss in the company's fiscal affairs. Although it is claimed that the president, J. B. Lynch "has more than doubled his salary in the past year," it is interesting to note that head office and general expenses, under which come directors' fees, dropped from nearly $53,000 under the old régime, to about $36,500 under the present management.

Under the present management, production has gained steadily; ore reserves are up 37 per cent; dividends have been increased from 19 cents per share to 21 cents per share; greater reserves have been set aside for depreciation; and all law suits settled favorably to the company.

* * *

The Other Round

MINING men believe that one should never abandon a mine before "taking out another round." This bit of philosophy is a tribute to that fickle goddess, Dame Luck, who is reputed to play such an important part in the lives of mines and miners.

Never was the advice so sound as in the case of Bidgood Kirkland Gold Mines, the property to the east of the main Kirkland Lake camp.

Bidgood's transformation from a debt-ensnared property, to debt free producer of distinct speculative possibilities, all in the course of a few months, is one of the most dramatic events in current mining history.

If creditors of this company, who were at one time owed about $78,000, had not accepted the philosophy of the miner, and, by extending the mortgage, allowed the company to "take out another round," the rich 520 vein might not have been uncovered, and it is doubtful if the creditors would have received 100 cents on the dollar, as they did last week.

There appears to be something in this "other round" superstition.

MACASSA MINES EARNINGS DOWN IN NINE MONTHS

Higher Costs, Taxes and Lower Recovery Noted

Increase of $48,205 in operating expenses, a further increase in taxation and a lower recovery per ton more than account for a decline in the estimated net profit of Macassa Mines, Kirkland Lake producer, for the nine months ended December 31, 1935, as compared with the similar period in 1934.

In the nine months ended Dec. 31, 1935, the company had an estimated net profit of $291,409, or approximately 10.8 cents per share, as compared with net profit of $339,245, or approximately 12.9 cents per share in the 1934 period.

The statement which accompanied current dividend cheques was purely a financial statement and made no reference to the physical condition of the mine.

Recovery Drops

In the nine months' period the company milled 52,127 tons of ore and produced bullion to the value of $832,832. This works out to an average recovery per ton of $15.97, as compared with an average per ton recovery in 1934 nine months period of $16.49. Sundry revenue was up at $11,185.

Comparative figures for the nine months ended December 31, 1935, as against the 1934 nine months period are as follows:

Earnings Statement
9 Months Ended Dec. 31

	1935	1934
Tons milled	52,127	50,034
Gross value of output	$832,832	$825,356
Sundry revenue	11,185	7,254
	$844,018	$832,610
Operating expenses	405,047	356,842
Reserve for taxes	41,457	37,133
Operating profit	$397,513	$438,635
Reserves	106,104	99,390
Estimated net profit	$291,409	$339,245
Net per share	10.8c	12.9c

BIDGOOD PAYS OFF $62,000 MORTGAGE EXTENDS BIG VEIN

Kirkland Company Advances Step in Dramatic Comeback

The now famed 520 vein at Bidgood Kirkland Gold Mines, east of the main Kirkland Lake camp, which has brought that company back into the mining spotlight with startling suddenness, has been opened up for a total distance of 320 ft. according to latest advices from the north.

At the same time, The Financial Post learns from H. Fred Parkinson, K.C., trustee for the creditors, that the company paid off its mortgage last week and is now free of important debt. The mortgage, amounting originally to about $78,000 was put on the property after creditors, in December, 1934, consolidated their interests, and agreed to take a mortgage on the property in lieu of immediate payment. This mortgage was subsequently reduced to about $62,000, and has now been paid off in full, The Post learns.

The drift on the 520 vein is being continued both east and west with high grade persisting. Re-sampling of main crosscut shows a section corresponding to this vein and a considerable added length to the west is officially expected.

Preliminary work in connection with the sinking of the winze from the 500-ft. level has been completed. A new hoist has been purchased for immediate delivery and in the meantime sinking will be proceeded with utilizing present equipment.

Officials inform The Post recent work indicates the existence of several parallel veins to the west of the main crosscut and north of the 515 vein. Work will be started soon to prove up these occurrences. A diamond drill hole previously returned a value of $19.80 over a width of 6 ft. in this section.

Central Pat Ore Reserves Up 49 p. c.

Earns Over 10 Cents Per Share in First Year

GRADE MAINTAINED

An increase of nearly 50 per cent in ore reserves, an average per ton recovery of $22.09 and earnings per share of over 10 cents in its first full year of production, are features of the annual report of Central Patricia Gold Mines, in the Patricia area of Ontario.

Despite the sharp increase in ore reserves, and increased mill tonnage, the grade has been maintained. As at Dec. 31, 1935, ore reserves at this property, including the "A," "B" and "C" ore bodies, and including ore broken in the stopes, has been estimated at 95,413, with an average grade of .64 ounces per ton, by A. J. Anderson, mine manager.

Net profit, after all charges, amounted to $256,581 which, on the basis of 2.5 million shares outstanding, is the equivalent of 10.26 cents per share.

Working Capital Position

The balance sheet as at Dec. 31, 1935, shows current assets of $201,470 against current liabilities of $87,415, leaving a working capital position of $114,055, as compared with a working capital of $179,811. The decrease in working capital account can be largely traced to large expenditure made on account of plant and equipment during the year, amounting to $184,972.

In commenting on the report, F. M. Connell, president, confirms the fact that milling has recently been increased to 150 tons per day. Delivery of power to the mine has resulted in a considerable saving in costs. Costs have also been reduced by completion of the Root River Portage development last July. Freight can now be transported from Hudson, on the C.N.R. to Dog Hole Bay, at the east end of Lake Joseph. Dog Hole Bay is 21 miles from the property. The government is now considering a road from this point to the mine.

1936 Plans

During the coming year, it is proposed to sink the main shaft from the 500 ft. level to the 1,000 ft. level, and also carry on further lateral work.

Referring to the No. 2 operation, better known as the Springer group, Mr. Anderson states that a shaft has been sunk to 175 ft. A station was established at 150 ft. and a total of 1,022 ft. of crosscutting and drifting done.

As a result of this work, four ore shoots varying in length from 25 to 90 ft. have been found west of the main crosscut, giving a total length of 198 ft. averaging 2.35 ounces over a width of 14 inches.

Further work will be carried on at this point as soon as sufficient power is available.

Ore Improving

Central Patricia, the report reveals, has written all work, with the exception of capital expenditures, into the operating costs.

Speaking of development on the main property, Mr. Anderson states that work done has shown the ore to have greater widths and lengths than previously estimated. Diamond drilling, he states, has improved the outlook for ore.

During the year, 35,192 tons of ore were treated, from which was recovered $777,570.

The operating account for 1935, with the 1934 account added for the sake of comparison are shown below. It should be pointed out, however, that the 1934 account covers operations only from May 27, 1934, when the mill started, until Dec. 31, 1934. It should be remembered that the efficiency of the mill was gradually stepped up until, in September, 1934, a recovery of 97 per cent was attained. During the 1935 period, the extraction percentage was 97.36 per cent.

Operating Account
Years Ended Dec. 31

	1935 $	1934* $
Production	777,570	219,562
Less: Bull. handl & transport. exps.	10,838	2,979
Net production	766,732	216,583
Less: Explor. & devel.	37,128	......
Mining	137,681	38,601
Milling	109,127	38,013
Oper. steam power plant	......	38,159
Camp oper. & maint.	......	8,061
Insurance	......	4,362
General mine exps.	25,055	15,334 (General mine exps. and Admin. exps.)
Admin. exps.	13,189	
Oper. profit	444,552	74,053
Add: Sundry revenue	665	75,270
Less: Depreciation	66,416	16,607
Explor. & devel. at Springer	47,417	......
Tax reserve	39,611	5,000
Deferred devel. w/o	35,192	11,536
Net profit	256,581	42,127
Earnings per Share	$0.10	...

*From May 27.

J. Gordon Hardy Named New Falconbridge Head

J. Gordon Hardy, former vice-president and consulting engineer, of Falconbridge Nickel Mines, in the Sudbury area, was appointed president at the annual meeting of the company held in Toronto recently. Mr. Hardy will replace Thayer Lindsley, who now becomes vice-president.

The number of directors was increased from five to six, and the men elected were Thayer Lindsley, Halstead Lindsley, J. Gordon Hardy, W. S. Morlock, N. H. Parkinson, and H. Whittingham, the latter being the new director.

Beaufor Gold Stock Listed in Montreal

From Our Own Correspondent

MONTREAL.—Capital stock of the Beaufor Gold Mines has been listed on the Montreal Curb. The listing covers three million shares of $1 par value, of which 858,427 are held in trust by the Chartered Trust and Executor Co. for the benefit of the company, and the balance are outstanding. Of the total issued to date, 1,305,569 shares have been sold for cash.

Geological Reports

Geological reports in Quebec are to be issued monthly instead of annually from now on, according to A. O. Dufresne, director of the Bureau of Mines.

Sharply Higher Values Found on Three Levels Of Pickle Crow Drifts

Patricia Producer Entering Significant Phase of Development

DEEP-SEATED ORE?

Will Pickle Crow still be producing gold in 1946?

As yet only another moderately successful gold mine, will it be merely a mining memory in ten years, or is it destined to rank in Canadian mining annals with McIntyre, Lake Shore and Hollinger?

Depletion of ore reserves, failure to maintain a commercial grade of milling ore, or other reasons can conceivably end the life of Pickle Crow within the decade, but Pickle Crow since 1929 has frequently confounded its more pessimistic critics and indications are that it will do so again.

For Pickle Crow is an unusual gold mine, and its president, John E. Hammell, an unusual mining executive.

The property, in the Patricia area of Northern Ontario was peddled to the world in the years following 1929 without attracting the money to place it in production. How Hammell succeeded in nursing the "baby" through its infantile ills, and how he has since been vindicated in his judgment is well known.

But what is not so well known is that Pickle Crow, now a producer, and recently yielding its first dividend to shareholders, is again at a stage of development where it may produce further surprises.

Surface Exploration

Gold values, for example, are steadily improving as development proceeds to depth. Commercial tonnage is being increased and the company is keeping cash in reserve "for rapid expansion underground and for mill extensions." It is a significant policy in relation to milling plans.

And perhaps more important from the standpoint of potential ore tonnage, only a small part of Pickle Crow's 2,400 acres of mining ground has been subjected to intensive underground mining development. On the remaining ground "There is every reason to expect that other veins may be found," says Mr. Hammell in his report to shareholders.

In that reference to possible discoveries on other parts of the 58-claim property, Mr. Hammell performs a miracle of understatement. Mining men familiar with John E. Hammell are the last persons in the world to accuse him of shrinking violet characteristics, but the truth is that surface showings on Pickle Crow ground, as yet unexplored and undeveloped, are known to be decidedly promising. Two at least are slated for exploration during the summer when the whole Pickle Crow acreage is to be thoroughly prospected and geologically mapped.

What will be found during the summer exploration campaign on the surface remains to be seen and no one can forecast the probable results. It is certain, however, that if additional commercial ore bodies exist on Pickle Crow ground they will be located and developed.

Rising Gold Values

Less than a month ago Pickle Crow reported on the results of drifting at the 500, 625 and 750-foot levels. A statement was issued, February 19, and signed by Mr. Hammell. It informed shareholders of the gold values encountered in drifts on various levels, but explained that the best ground opened above the 500-foot level lay considerably beyond the new drift faces on the 500 and lower levels at that time.

But events move swiftly at Pickle Crow, underground or in Mr. Hammell's office. Within a few weeks, the figures of drift values were obsolete. New figures from official data were obtained this week by The Financial Post. The story is typical of the surprises that can happen at Pickle Crow.

Shareholders were told in the report that values of $18.90 gold were encountered over a width of 39 inches on the 500-foot level. They have since risen in drifting up to February 20, to $20.30 gold over 38 inches at the 500 foot drift.

One level lower, on the 625, the report announced $15.75 over 35 inches. That figure has since been revised in further drifting to $21.35 over 35 inches. On the lowest, or 750-foot level, values announced in the report at $18.20 over 43 inches are now shown by further drifting to have risen to $23.80 over 42 inches.

It was prior to these increases that Mr. Hammell informed shareholders that drifting operations on the 500, 625 and 750 levels "proved beyond a doubt that the Pickle Crow vein is going to good depths."

It is still going strong.

Drilling Results

Drilling below the 750-foot level has brought even more significant indications that Pickle Crow has high grade milling ore at depth, further confirmation of the theory held from the outset by Mr. Hammell, that values would increase as depth was reached. A drill put down from the 750 at 45 degrees showed 8 inches of quartz with visible gold about 75 feet down the drill hole, and from 85 to 102½ feet the average core value cut was $20.65. Other favorable drilling results, at a dip of 85 degrees were obtained.

Not only is there confirmation in this information of the grade, and the fact that the vein is continuing to depth, but also evidence that large tonnages are being put in sight, and to quote Mr. Hammell, "That a step-up in the mill will be necessary shortly."

Neither grade or tonnage prospects suggest that Pickle Crow will remain only a "moderately successful gold mine." On the contrary, with the mill operating satisfactorily and giving over 98 per cent extraction, "Everything looks extremely satisfactory as far as the mine is concerned," to again quote Mr. Hammell.

Is It Deep-seated?

The next few months may tell much in relation to Pickle Crow's prospects for becoming a deep-seated, high grade gold mine with a long life ahead, and surface exploration will also be closely followed by mining observers.

In the meantime, shareholders are receiving the first dividend, paid only after the company had established a "substantial cash reserve" for rapid expansion underground and mill extensions, a situation that is highly significant of the policies under which Pickle Crow is being managed

It is the same Pickle Crow that went begging five years ago. It may not be another Lake Shore—but no one knows what the next ten years may bring.

Washington Officials Suspend Gold Shore

Claiming the registration statement includes "untrue statements of material facts and omits to state material facts required and material facts necessary to make the statement not misleading," the Securities and Exchange Commission at Washington announces the registration statement filed by Gold Shore Mines, of Winnipeg, is suspended.

Gold Shore Mines was incorporated in December, 1934, with an authorized capitalization of three million shares of $1 par value. Of this amount, approximately 1.4 million shares were outstanding at last report. The company's property is a gold prospect on the east shore of Lake Winnipeg. Last September, officials reported that arrangements for a drilling campaign had been made.

EXPECT RENO GOLD TO SHOW INCREASE IN BOTH CASH, ORE

Company Reports Surplus of About $100,000 in Treasury

Recent information obtained in connection with Reno Gold Mines, the producing property south of Nelson, B.C., indicates that when the fiscal year ends June 30, material improvement will be shown both in connection with the company's ore reserves and financially.

Last week the company issued an official statement to the effect that after all charges, including dividend and taxes, a cash surplus of about $100,000 had been attained, as compared with about $50,000 last June.

The company is continuing work on sinking the main shaft another two levels below the present ninth level. Last June, the company reported ore reserves of 61,903 tons, with an average grade of 0.624 ounces. The Financial Post learns this tonnage has been increased although some 25,000 tons have been milled since June. It is understood that at the present milling rate of about 3,000 tons per month, ore sufficient to last the mill between 1½ years to two years is available. While the shaft is being deepened, milling rate will be held to the 3,000-ton per month figure, as compared with 3,640 tons handled in January, when the company turned out $87,400 in gold, a new high mark.

Outside Development

In conjunction with its main operation, Reno is carrying on exploration on the wholly-owned Nugget and Motherlode mines, located about 3,600 ft. from the Reno mill. These mines were operated until about 1924 with gold at $20. Reno is now driving a low level crosscut from the old Motherlode workings to reach the extension of the Nugget vein at depth. It is expected this objective will be reached about the end of March.

Sand River Gold

We have prepared a folder containing latest information on this interesting development.

A copy will be mailed on request.

Cameron, Pointon and Merritt
Members
The Toronto Stock Exchange
44 Adelaide St. W. Toronto
Telephone WA. 2961

The Outlook and Prospects for
McKENZIE RED LAKE GOLD MINES LIMITED
are reviewed in a
SPECIAL REPORT
on this property, prepared by a well-known, independent Mining Engineer. It contains the latest information and should be of interest to mining investors generally. Copies available on request.

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SMELTERS TO SHIP MILL OF 500 TONS INTO ATHABASKA

First Hint of Intensive Development in 1936

From Our Own Correspondent

REGINA.—Consolidated Mining & Smelting Co. will ship, as soon as navigation opens, a 500-ton mill to their Goldfields property, the first indication of intensive operations during the 1936 open season.

Athabaska-Portal, backed by new money from the Rainville interests, of Montreal, will also carry out extensive work beyond the drilling stage as soon as the ground is cleared of snow. Athabaska-Portal joins Smelters' property and has on its other side the Athona mine. All three developments are of major proportions in the Athabaska field and any one of the three are highly interesting.

Athona's Drilling

Athona has completed more than 10,750 ft. of diamond drilling and 8,000 cubic ft. of trenching and test pitting. Three wide ore zones have been proved according to the company's own statement. Samples are reported to run as high as $20 a ton. Bulk sampling is now under way, the results of which will determine the size of the milling plant to be erected during the summer.

Values in Granite

Athona workings are free from moisture down to the 145-ft. level at least. For the first time in Canadian mining history values have been obtained from granitic rock in Athona workings. Athona has 40 men on the job.

MORRIS KIRKLAND WILL BUILD MILL

Development work at Morris Kirkland Gold Mines, formerly Kirkland Gold Belt, to the east of the main Kirkland Lake camp, will be centred on opening up the lower levels L. H. Watts, assistant to the president, states in reviewing the condition at the mine.

Work on the lowest, or 750-ft. level at this property is attracting particular attention because of the interest which lies in depth possibilities in this section, which is only a few miles east of where the big Kirkland Lake producers have met with such outstanding success at depth. Whether Morris Kirkland can indicate similar conditions to exist in this area, will be of considerable interest.

Sink Farther

During the coming year, the shaft will be sunk an additional two or three levels, to open up ore indicated by drilling.

In addition Mr. Watts announces, the company plans to start work on a mill this spring, to have an initial capacity of 100 tons per day.

A conservative estimate of ore places reserves at about 45,000 tons, Mr. Watts states, of which 25,000 tons is estimated at $10 grade or better, and the remaining 20,000 lower grade This does not include ore on the dump, nor the new 708 ore body now being opened up.

Ore of promise has been encountered on the 125, 250, 500 and 625-ft. levels. In addition, two ore bodies have been encountered on the 750-ft. level. One of these, the 706 ore body, has been drilled below this level, the deepest intersection being at 75 ft. below. Drill cores gave values running from $7 to $77 per ton in gold.

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West Toronto, Ont.
ADel. 6028

Smelters Ahead on Option Consolidated Chibougamau

Although an extension until June 30 was given by Consolidated Chibougamau Goldfields to Consolidated Mining & Smelting Co., in connection with the latter's option on 600,000 shares at 50 cents per share, the entire block has been taken up and paid for, shareholders of Consolidated Chibougamau were told at the annual meeting of the company held in Montreal recently.

Under the terms of the agreement with Smelters, that company was to take up the remainder of A. H. McKay's option on block A, and was to option block B at 50 cents per share, and block C at $1 per share. Each block covered 600,000 shares of Consolidated Chibougamau stock.

In addition to the balance of block A, Smelters have now taken up all of block B and 20,000 shares of block C, all of which muct be taken before Dec. 31, 1937.

Paid for Louvicourt Claims

Referring to other activities of the company in the past year, Mr. McKay stated the balance of the payments due on the 24 claims in Louvicourt twp., Quebec has been made. These claims, The Financial Post understands, were sold to T. A. Richardson, of Toronto for $20,000.

Last spring, as reported at the time in The Post, Consolidated Chibougamau acquired a half interest in 1[illegible] claims in the Rose Lake section of Quebec, and in June took an option on an additional 40 per cent interest.

In connection with the company's option on a 25 per cent interest in the properties of Chibougamau McKenzie Mines, a property in which Consolidated Chibougamau already held at 75 per cent interest, Mr. McKay explained the option had been amended by agreement, and cash payments are to be made as follows:

Option Terms

Amount	Date Due
$20,000	March 1, 19[illegible]
20,000	June 1, 19[illegible]
40,000	Sept. 1, 19[illegible]

A balance sheet as at Dec. 31, 1935 presented at the meeting showed current assets of $41,525, and current liabilities of $7,500 leaving a working capital position of $34,025, compared with $24,649 in 1934.

To SISCOE Shareholders
In Reply to Mr. Lynch

In 1934 net earnings were 25.74c per share
In 1935 net earnings were 23.05c per share
A decrease* of 2.69c per share *under the present administration

Operating and general costs in 1934 before provision for depreciation and taxes, but including expenditures on development and exploration, were equivalent to $5.66 per ton of ore milled. In 1935, these costs were $5.94—**an increase** of 28c. per ton.

Contrast the decrease in net earnings per share in 1935, with the increase per ton in operating expenses. HOW DO THEY APPEAL TO YOU?—when the tonnage of ore milled increased from 124,151 in 1934 to 149,070 tons in 1935.

REMEMBER that the comparative summary between 1935 and 1933 issued **by the present administration** in an advertisement is based on gold selling at $35 an ounce in 1935 as against the old values prevailing in 1933 **which were very much lower.**

Vote for the Old Board Who Are the Protectors of Your Interests.

OLD BOARD SHAREHOLDERS' COMMITTEE OF SISCOE GOLD MINES LIMITED
1510 University Tower Building
660 St. Catherine Street West - MONTREAL, Que.
Phone: BElair 3991

(Signed) W. A. FENSOM *(Signed)* EDWIN C. FORD
(Signed) G. N. COYLE *(Signed)* PAUL RANGER, K.C.

Representing the OLD BOARD SHAREHOLDERS' COMMITTEE

This advertisement appears for purposes of record only, units in the Syndicate having been subscribed for privately.

E. B. KNAPP SYNDICATE
Consisting of 500 Units, original issue price $1,000.00 per unit

TRUSTEES:
E. B. Knapp, Toronto, Ont. David Gross, Kitchener, Ont.
E. B. Wood, Kirkland Lake, Ont.

Syndicate Secretary: M. F. Millward, 106 Federal Bldg., Toronto
(Where Syndicate Agreement may be inspected during business hours.)

THIS Syndicate was formed by a group of men, eminent in mining and financial circles, for the purpose of providing, privately, the funds necessary for an extensive campaign of development on the property of Lakeside-Kirkland Gold Mines Limited, under the management of Mr. E. B. Knapp, who, for many years, was Manager of Lake Shore Gold Mines Limited, and is an outstanding authority on the Kirkland Lake Camp.

The Syndicate is taking down 1,000,000 shares of Lakeside-Kirkland Gold Mines Limited at a total cost of $400,000.00, and each Syndicate unit represents 2,500 shares, which will be released to unit holders at the discretion of the Syndicate Trustees, when, in their judgment, the mine has developed sufficiently towards production to sustain, of its own merit, a sound, natural market for the shares.

No stock of Lakeside-Kirkland Gold Mines Limited has been sold or issued to the public and no stock is being offered for sale to the public, participation in the stock of the Company being possible only through ownership of the Syndicate units.

All shares represented by Syndicate units will be held by the Trusts & Guarantee Company Limited, and the Syndicate Trustees warrant that, at all times, 2,500 shares of Lakeside-Kirkland Gold Mines Limited will be on deposit for each Syndicate Unit issued and outstanding.

The issue price of the units was placed at a minimum of $1,000.00 per unit and had, as its deliberate objective, an ownership confined to individuals of some substance and financial strength, who, taking a long range view and recognizing that it takes time to develop a mine, are not seeking merely a small profit, but are prepared to await the ultimate outcome of a property passed upon by eminent authority and ably managed.

Detailed information will be furnished upon request by

A. E. DAWSON & COMPANY
Fiscal Agents for
E. B. KNAPP SYNDICATE and LAKESIDE-KIRKLAND GOLD MINES LTD.
FEDERAL BUILDING, TORONTO
Telephones ADelaide 6093-4-5

Siscoe Mines Has Earnings 22 cts. Share

Company Reports Reserves Up—Taxes Cut Profits

ORE IMPROVES

Simultaneously with the publication of an annual report which shows the physical condition of the mine to be the best in its history, shareholders of Siscoe Gold Mines, in northwestern Quebec, are being circularized by a group of former directors, terming themselves "The Old Board Shareholders' Committee." The avowed objective of this committee is to oust the present management and re-instate former directors.

The looming fight for control of Siscoe is the second in a year, the last annual meeting having been enlivened by a similar fracas.

In its annual report, Siscoe shows net earnings for the year of $1,022,425, or the equivalent of $0.22 per share. In 1934 the company earned $0.26 per share, the decline being due to increased taxation, increased legal and court costs, depreciation reserves, and development and exploration expenditures.

The production record of the company in the past year indicates advantage has been taken of current gold prices and higher tonnage to treat a lower grade of ore. Millheads during the year accordingly averaged $15.81 as compared with an average of $17.60 per ton in 1934.

Best ore results have been obtained in what is known as the "K" zone where a number of new lenses were opened up. Positive ore reserves as at Dec. 31, 1935, stood at 383,217 tons. Ore broken in the stopes amounts to 59,967 tons. While no estimate of grade is given, it is known that the erratic but high-grade nature of the ore deposits at this mine makes an accurate estimate virtually impossible.

Mill Rate Increases

The milling rate has shown a continuous increase, average for the year being about 408 tons per day. A total of 149,070 tons were milled during the year, from which a gross recovery of $2,274,583 was obtained, or a per ton recovery of $15.28.

In the early spring, further additions to the cyanide part of the mill will be made, it is stated. This will enable the company to treat larger tonnages of the talcy "K" zone ore, and permit an increase in the overall tonnage of possibly 50 tons per day.

Due to the factors referred to above, overall costs increased from an average of $4.94 per ton in 1934 to $5.01 per ton in 1935.

The company's balance sheet shows current assets of $940,759 as at Dec. 31, 1935, against current liabilities of $179,617, leaving a working capital position of $581,751, compared with working capital of $749,752 at the end of 1934. Current assets include cash of $761,368.

The income and surplus account for 1935, compared with that of 1934, follows:

Income and Surplus Account
Years Ended Dec. 31

	1935 $	1934 $
Prod.	2,274,583	2,116,604
Less: Bull. tax	82,831	160,359
Gross oper. income	2,191,752	1,956,245
Less: Dev.	156,078	110,521
Mining	279,759	236,975
Milling	167,295	134,817
New shaft	......	76,766
Bull. ship.	20,787	7,100
Camp. maint.	18,191	16,153
Insurance	12,838	8,704
Gen. mine exp.	58,831	46,509
H. O. & gen. exps.	36,579	52,999
Trans. agent's fees & exps.	14,658	12,871
Crosscut., drill., etc.	89,709	......
Legal exps. & court costs	30,532	......
Tax reserve	165,580	25,573
Depreciation	118,490	78,901
Net earnings	1,022,425	1,148,356
Add: Other income	17,515	12,284
Interest	21,257	24,918
Cash discounts	1,354	1,007
Net profit	1,062,551	1,186,565
Less: Dividends	972,329	875,961
Surplus for year	90,222	310,604
Add: Prev. surplus	933,947	623,343
Less: Addit. tax, prior year	9,451	......
Surplus forward	1,014,718	933,947
Earns. per Share & Divd. Record:		
Earned	$0.22	$0.26
Paid	0.21	0.19
Shares Outstanding:	4,750,000	4,610,065

English Group May Push Property of Dwyer Elbow

Dwyer Elbow Lake Mining Syndicate Ltd. reports a contract has been let for drilling, work to be under the supervision of Dr. J. F. Wright, consulting mining geologist.

The claims owned by Dwyer Elbow have been under development since 1934 and are located in the Elbow Lake area of Manitoba, 19 miles south of Sherritt Gordon Mines.

Arrangements for financing the work planned for the next six months have been made by an allotment of shares underwritten at par. Arrangements have also been concluded, The Financial Post is informed, in London, England, for the underwriting of a three million share company to take over the operations of the Century group of claims following successful diamond drilling results. Dwyer Elbow Lake Mining Syndicate Ltd. will retain a large interest in the new company and will continue the development of its other properties. Work done to date on the company's four groups of claims has been largely confined to surface development.

The company, operating under the Quebec Companies Act, had an authorized capitalization of 1,500 no par value shares of which 777 were issued. Last January, the company was recapitalized with an authorized capitalization of $375,000 in $1 par value stock on a conversion basis of 250 for one. At the present time, the company has 180,750 shares in the treasury.

Quebec Minerals

Production of asbestos, gold and silver in Quebec increased from 20 to 40 per cent during the first eleven months of 1935, and it is expected that figures for the calendar year will show an average increase of some 30 per cent, all round. From January 1, 1935, to November 30, 1935, asbestos production amounted to 194,240 tons compared with 149,297 in the corresponding period of 1934.

New President

EDWARD G. KINKEL
of Buffalo, N.Y., elected president of Buffalo Ankerite Gold Mines Ltd., following the annual meeting.

Granby's Action Hinges on Trend Of Copper Price

From Our Own Correspondent

VANCOUVER.—Granby Consolidated Mining & Smelting Co., which recently shut down its great property at Anyox, northwestern British Columbia, because of exhaustion of ore and continued low level of copper prices, may resume its important role in this province as an operator at Allenby.

The company's decision depends entirely on the trend of prices. Granby still has a potential asset of considerable value at Allenby and Copper Mountain, and mining men believe Granby would re-open there if prices warrant.

Necessity to conform with the B. C. Corporation Act has made it difficult for the liquidator of Granby to name the possible date when books of the company will be closed.

Shinintree Continues Drift Aims at 40-ton Mill Soon

Development work at Shinintree Gold Mines in Northern Ontario has been proceeding steadily during the winter, Lionel Brooke informs The Financial Post. The two-compartment vertical shaft has been completed to the 100-ft. level, a station cut at that level, and drifting started both ways on the vein. The vein opened up so far on the 100-ft. level shows the same high-grade ore as on surface and on the shaft, Mr. Brooke states. A 90 ft. section of the vein on surface at the shaft gave an average of 1.67 oz. or $58.45 over an average width of 20.6 inches.

In the shaft, to a depth of 75 ft. where the vein dipped out, average value was 2.195 oz. gold or $76.84 per ton over an average width of 20.2 inches.

The company plans to continue drifting on the 100-ft. level and to erect an amalgamation mill of approximately 40 tons per day capacity some time in the spring.

Sorting the Mines

An Impartial Analysis of Listed Stock from A to Z

These little close-ups are aimed at giving The Financial Post's readers an inventory of the market today. In no sense are they to be regarded as exhaustive summaries. Each listed stock will be dealt with in alphabetical order at the rate of three or four a week as space permits.

Francoeur Gold Mines

Property of Francoeur Gold Mines adjoins Arntfield Gold Mines in Boischatel Twp., Quebec. The claims were originally held by Bell Thompson Mining Syndicate and Arntfield Gold Mines. When these claims were consolidated under Francoeur in 1932, Hollinger Consolidated did some development work on the properties, and spent $65,000 taking an unstated number of shares in return. Towagmac Exploration Co., which held an interest in Bell Thompson, received 693,000 shares of Francoeur, and Arntfield an unstated number of shares for its claims.

The property is being developed along four levels, the 100, 200, 300 and just recently, the 500 ft. levels. The latter is the lowest level established to date and the present objective of the shaft.

Latest reports are that the company is drifting along the vein at this level, and that improved conditions are being encountered. So far, however, little is known of them at this depth.

The following table shows the most recent report on development at the various levels. In addition to the following, other shorter ore lengths have been developed.

Ore Developments

Level	Assay	Width	Length
Surface	.34 ozs.	15.4 ft.	125 ft.
100 ft.	.22	6	222
200 ft.	.23	6.5	105

On the third or 300-ft. level, management reports conditions similar to second level.

Francoeur has an authorized capitalization of 3 million shares, of no par value, of which, at latest reports, 2,116,666 shares were outstanding. The latest annual report shows, as at Dec. 31, 1934, current assets of $92,694. An investment in Kenya Mining Syndicate is shown at $9,000. Accounts payable totalled $4,998.

Price Range of Stock

	High	Low	Last
1935			
Common	.27	.05	.27
1936			
Common	.44	.23	.30

Franklin Gold Mining Co.

Franklin Gold Mining Co. was formed in August, 1934, to develop the veteran Ontario Champion Mine, in the Kenora mining district of Ontario. Former operators sank a shaft to a depth of 235 ft. on the main, or Champion vein, and established levels at 120 and 220 ft. after establishing promising showings on the surface.

The present company confined its activities in 1935 to surface work. A month or so ago, a diamond drilling contract was let calling for 5,000 ft. of drilling from surface and underground. Latest reports from the property state that the drill on the 120-ft. level, west from the shaft, intersected the downward extension of the Franklin vein about 160 ft. from the face of the shaft. It is stated the vein showed a width here of over 12 ft. Assays are not yet available.

Last fall, at $35 gold, ore reserves were estimated at $85,000, based on official estimate of 3,500 tons of ore averaging 0.7 ounces per ton uncovered and ready for milling.

Franklin has an authorized capitalization of $3.5 millions, in $1 par value stock, of which $1,956,304 is outstanding. As at May 7, 1935, current assets totalled $35,984, with current liabilities amounting to $331. The company is being financed by Delma Agency Ltd., which has, The Financial Post understands, an underwriting agreement on 500,000 shares at 15 cents per share.

Price Range of Stock

	High	Low	Last
1935			
Common	.40	.03	.05
1935			
Common	.40	.03	.05

God's Lake Gold Mines

God's Lake Gold Mines, the pioneer property in the God's Lake field of Manitoba, is currently producing at the rate of slightly less than 150 tons of ore per day. From this operation, gold production of between $55,000 and $60,000 per month is expected.

Recently the stock was the centre of a great amount of controversy due to the fact that very little ore had been encountered on the third and fourth levels. As a result, the stock has been driven to new lows on the market.

There is evidence for believing that in reacting the way it did, the market was inclined to exaggerate the significance of the third and fourth levels development. It has been pointed out by officials that the structure on the third and fourth levels remains unchanged from conditions on the upper levels. Very little ore was encountered on the surface, and the strong ore on the first and second levels came in under what is apparently a lean horizon. Officials are of the belief that the same is true of lower levels, and unconfirmed reports of drilling from the fourth level tend to substantiate this view.

It is not probable that the street will be completely clear of rumors regarding this stock until the return from England of R. J. Jowsey, president of the company.

In the meantime, God's Lake mill continues to give a satisfactory account of itself and ore reserves sufficient for at least two years are ahead of the mill.

The management of God's Lake has proved itself to be capable and sincere.

The company has an authorized capitalization of 3.5 million shares, of no par value, of which all are outstanding. The company has current assets of about $125,000, as against current liabilities of about $32,000.

Price Range of Stock

	High	Low	Last
Common	2.24	1.16	1.30
1936			
Common	1.45	1.18	1.33

A.S.&R. Enter Chibougamau Via Norlake

Will Eventually Form New Company For Lake Dore

SURVEY MADE

Consolidated Mining & Smelting Co. is to have some company in the vast Chibougamau field of Quebec, the entrance of American Smelting & Refining Co. into the field having been confirmed.

American Smelting & Refining Co. have, through its subsidiary, Premier Gold Mining Co., entered into an agreement with Norlake Mining Corp., whereby the latter company's property at Lake Dore, adjoining the Consolidated Smelters' operation, will be financed to production.

Norlake Mining Corp. last April acquired two large blocks of claims in the Chibougamau area, one on the north shore of Lake Dore, and one a few miles north, lying just east of Lake Borbeau. The Lake Dore property, on which work has been concentrated to date, now consists of 41 claims. Surface work was done last summer and on into the winter, including a thorough geophysical survey by Dr. Hans Lundberg. Dr. Lundberg's geophysical survey for American Smelting & Refining Co. on the Buchan, Newfoundland property had been particularly successful, and it was through this connection that American Smelting & Refining Co. became interested in the Norlake proposition.

To Form New Company

Under the agreement, a new company will eventually be formed, in which Premier Gold, and Norlake will have about equal interest. The new company will acquire the property.

Work done to date on the Lake Dore property has disclosed a chalcopyrite body containing about 20 per cent copper, with traces of gold. An entirely separate quartz vein has also been disclosed, varying in width from six to twelve ft. and assaying about from $4 to $18 per ton gold. This has been trenched a distance of 200 ft.

Dr. Lundberg has also indicated several other heavily mineralized zones which are at present being diamond drilled.

Norlake still retains entire control of its Borbeau property, and is sending in a working crew immediately, prior to having the property gone over by Dr. Lundberg.

Norlake was originally formed to develop a property in Rouyn, near Noranda. The property, held under option, did not respond well to development work and the option was dropped.

Although The Financial Post has seen no recent financial statement of Norlake, it understands that a considerable amount of treasury stock has been sold in New York and that, free of financial responsibility in connection with the Lake Dore property, the company is in fairly sound financial shape to carry on development of the Lake Borbeau property.

Refined Lead

Refined lead production of the world rose to 148,074 tons from the October output of 132,013 tons. This increase was due mainly to advances in output in Mexico and Australia.

Explain Share Position Of Cardinal Directors

Commenting on the affairs of Cardinal Mining & Development Co. whose formation was recently recorded in The Financial Post, J. G. Campbell sec.-treas. explains in a letter to The Financial Post that preference shares in the company are entitled to be paid a cumulative preferred dividend of "at least" seven per cent per annum on the profits of the company until the sum of $1.05 per share has been paid, when they shall be treated as redeemed and shall be cancelled. Cardinal is capitalized at 500,000 seven per cent cumulative preferred shares of $1 par value, and four million ordinary shares of no par value. Of these shares 1.5 million are deposited with the Toronto General Trust Corp., Vancouver, B.C., for the benefit of the company.

With each preference share that is sold, two ordinary shares are given as a bonus. Preference shares must be redeemed before there are any dividends paid on the common stock. When $100,000 is received or passes through the treasury, the ordinary shares which have been allotted as a bonus on the preference shares will be immediately released and issued to the preference shareholders.

While directors of the company and their associates have 2.5 million shares of stock in escrow, there are 1.5 million ordinary shares left in the treasury for the benefit of the company, and while those holding the ordinary shares received as a bonus may dispose of them in due time, the directors' ordinary shares are escrowed until after such time as the preference stock is redeemed at $1.05.

Goldale Gets Interest In Hard Rock Gold Mines

Goldale Mines, now largely a holding company, recently acquired in association with other interests an interest in Hard Rock Gold Mines. Under the agreement, Goldale Mines will purchase 200,000 shares of Hard Rock at 45 cents per share and take options on 200,000 shares at 65 cents per share and 99,995 shares at 75 cents per share. All options are to be exercised by January 1, 1937.

Hard Rock is developing a gold prospect in the Little Long Lac area of Northern Ontario. A shaft is being sunk and results to date have been encouraging. The most recent financial statement made public was at May 31, 1935, when current assets totalled $47,414 against current liabilities of $13,877.

PACKSACK DRILLS INDICATE VALUES TO 210-FT. DEPTH

A considerable amount of encouraging information is contained in the first annual report of Packsack Mines, a company developing a property two miles south of Bissett, in the Rice Lake area of Manitoba.

Development work on the surface, in addition to an extended programme of diamond drilling has encouraged officials to embark on an underground exploration programme. It is recommended that a shaft be sunk just off the Big Dome vein to a depth of 300 ft., and to establish levels at 150, and 275 ft. From these levels, in addition to drifting on the Big Dome vein, it is proposed to crosscut and drill with the object of ascertaining conditions at depth on adjacent known veins.

H. R. Drummond-Hay, president of the company states that when sufficient funds are obtained the company will purchase a sinking plant, and supply the property with power from the power line of the Manitoba Power Co., which passes about two miles distant from the property.

Explored to 210 ft.

In a geological report, J. F. Wright states the main gold deposit to date is in the Montcalm mineral claim, in which the Big Dome vein occurs. This ore body has been explored to a depth of 210 ft. by drilling, and is at least 200 ft., he states. Its average width is 8.6 ft., and the gold content is about 0.36 ounces per ton.

Geologically, states Dr. Wright, the property is favorable to the occurrence of gold ore, and underground exploration is warranted.

L. Chamberlin, engineer in charge, reports that surface trenching and drilling on the Big Dome vein have indicated an ore body which will produce at least 14,000 tons of ore running 0.36 ounces gold per ton for the first 100 ft. in depth. One drill hole was run to cut this vein at 210 ft. below surface. A section of the core at this depth gave an average assay of 0.33 ounces gold per ton across a width of nine feet.

Drilling on the Clappelou and Tine veins was inconclusive, although Mr. Chamberlin recommends further surface work on the Clappelou.

An audited balance sheet as at Feb. 15 shows cash on hand of $4,285. No current liabilities are shown.

NORTHERN CANADA MINING CORPORATION, LIMITED
Invests in Canadian Mines and Mining Properties
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Mining Enquiries

Nicola Mines & Metals

A brief opinion on the outlook for Nicola Mines & Metals would be appreciated by one who has profited by your information in the past.

Until fairly recently development at Nicola Mines and Metals has been obstructed by dissension in the management and litigation of principals. However, the mine was reopened in July, and is now operating at approximately 65 tons per day. Prospects appear definitely better now than a year ago. The company reports proved ore reserves of 15,000 tons which, while not large, must be considered in conjunction with the possibility of new ore bodies being revealed by present underground exploration programme. If such ore bodies are discovered, directors plan to enlarge the mill to 100 tons daily. In the meantime, income from production is understood to be taking care of all the development costs.

Baden Gold Mines

Some months ago you were good enough to advise me that the Baden Syndicate had been taken over by Baden Gold Mines and that each Baden Syndicate Unit would be exchangeable for 500 shares of Baden Gold Mines. You also gave me a lot of other interesting information but to date I have heard nothing from the old or new company. I would, therefore appreciate very much receiving any further information regarding the Baden Syndicate and/or Baden Mines.

There is no change in the situation in connection with Baden Gold Mines and Baden Syndicate as far as we are aware. We understand no exchange has as yet been made for stock in the company, and we understand officials are still seeking to raise money to develop the property.

As you are probably aware, until recently money for such development has not been very easy to obtain. Now there are evidences, however, the market is opening up and capital is more ready to enter Canadian mining from the speculative end.

What success Baden will have cannot be determined, inasmuch as we have seen no engineer's reports of the property, and the public must rely on the optimism of officials, who, while they may be sincere, have not been connected with any outstanding mining success in the past.

McLaren Porcupine

Would you advise the purchase of McLaren Porcupine stock as a speculation? I have some money to put into the newer ventures.

McLaren-Porcupine Gold Mines owns a gold prospect of 350 acres in Deloro Township in the Porcupine area of Northern Ontario. After a limited amount of development work, a mill was erected with a capacity of from 10 to 15 tons per day in 1934. At latest reports, the mill was operating one shift and treating an average of four tons per shift. To date, we understand approximately $6,000 worth of gold has been taken out by the open-pit method.

The method of attack employed by this company is, to say the least, unusual.

Briefly, this is regarded as a speculation which has very limited attractions.

Nugold Mining Corp.

In your opinion, has Nugold Mining Corp. any chance of making a mine of its property near Lunenberg, N.S.? Would the stock be a fair speculation?

Nugold Mining Corporation has recently reported encouraging results on its Blockhouse Dome property in Nova Scotia. The company is exploring the ore bodies from the 100 and 200 ft. levels, and recently started sinking the shaft with a view to opening up a third level. The mine manager, B. E. Laxer, reports sufficient ore has been indicated to justify consideration of a 50 ton mill this summer, grade being estimated at about one ounce to the ton. The company reports sufficient finances to meet current operations, and we understand some of the company's stock is being registered for sale in the United States.

To sum up, further expenditures in development work appear to be warranted.

Bathurst Gold Mines

I hold 500 shares in Bathurst, which cost me 25 cents per share. I was wondering if I should buy some more now with a view to averaging down on my stock.

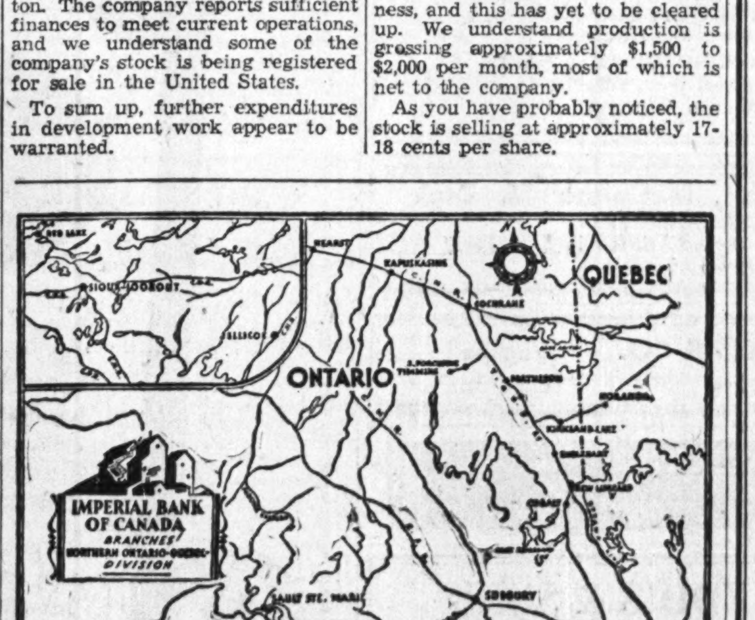
We cannot determine from your letter whether the stock you hold is that of Bathurst Mines or Bathurst Gold Mines. In April, 1934, Bathurst Gold Mines succeeded Bathurst Mines, Limited, on a share exchange basis of one new for two old. Early in 1935, the property was optioned to Erie Canadian Mines, Limited, a subsidiary of Sylvanite Gold Mines. A few days ago, we learned this option has been dropped, and that $10,000 advanced by Erie Canadian to meet pressing debts of Bathurst is now owing the Sylvanite subsidiary.

Merland Oil

I hold some stock in Merland Oil, and was wondering if I should purchase some more. What is the present situation?

Merland Oil Co., with producing properties in the Turner Valley, Alberta, has not yet recovered from the shake-up last summer which resulted in the ousting of Alfred Hinds, former president. During the Hinds regime, the company piled up a considerable amount of indebtedness, and this has yet to be cleared up. We understand production is grossing approximately $1,500 to $2,000 per month, most of which is net to the company.

As you have probably noticed, the stock is selling at approximately 17-18 cents per share.



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for SISCOE GOLD MINES LIMITED

Two Items from the February 27th issue of *The Northern Miner*, Toronto

AN EDITORIAL (Page 4)

SISCOE GOLD MINES

Glancing through the Siscoe report and noting the gains made in every department, one will not, however, find in the balance sheet one of the shareholders' principal assets. This is good will. Public sentiment toward Siscoe has greatly changed in the past couple of years and there has developed a feeling of confidence, worth considerable in the form of market quotations. The internecine quarreling which used to mar Siscoe affairs in its earlier years had disappeared. Many shareholders are today expressing regret that it is raising its head again.

Perhaps one of the present board's most important accomplishments has been the disposal of lawsuits which had beclouded Siscoe for many years. They had been a constant disturbance to shareholders and the public, for some of them possessed serious implications. Forceful efforts to end them were made, and were successful at slight cost to the company.

In two years the items of tonnage treated, broken ore reserves, plant valuation, dividends, each show an increase of approximately fifty per cent. Operating costs have been reduced in the face of heavy forward development. Average grade is up from two years ago, and if there has been a decline lately this would be in line with common gold mining experience the world over.

No mine is static; new problems constantly arise. New ore conditions have had to be faced at the mine; the figures of results and the general mine picture carry their own indications as to how well these new conditions have been met.

Who shall control a mining company is a question for shareholders themselves to answer. If a dispute arises in Siscoe affairs, it will be up to them to weigh accomplishments and arguments.

* The underlining is ours

A SUMMARY (Page 7)

SISCOE PICTURE IN 1933 AND NOW

The story of progress in the administration of Siscoe Gold Mines Limited during the tenure of office by the present directors is told in the following figures. These show the picture at the close of 1933 and the comparative figures for the year just closed.

	1933	1935
Production	$1,616,487	$2,274,582
Tonnage	96,348	149,070
Taxes	104,989	248,410
Dividends	*644,545	†972,328
Reserve for Depreciation	245,099	442,491
Ore reserves	200,000	383,217
Lawsuits	6	0
Value of plant	773,378	1,062,596
Development	116,733	156,077
Costs per ton	$5.346	$5.014

*14c share. †21c share.

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Since The Financial Post was founded nearly 30 years ago it has won an army of friends who trust its reliable news and views and who obtain the advice of its investment editors on their investments. Free mail consultation is a privilege accorded every subscriber.

Horseflesh Dollars

Show Animals Expensive Playthings but Topnotchers Earn Dividends and Glory—Can Canada Compete With Irish Production?

By ERIC ACLAND

What price show horseflesh?

Each and every year upwards of one hundred thousand people pay admission to see regular winter horse shows in Canada. Add to this the annual attendance at the Canadian National Exhibition, Eglinton Hunt, London Hunt, Montreal, Guelph, Sutton, St. Catharines, and other Canadian horse shows and you have a vivid picture of the Canadian public's genuine interest in the show horse.

Cold Cash Values

How many citizens have any idea of the actual cold cash represented in the horseflesh they see at these performances. Do they realize that the cost of horses seen at the Royal Winter Fair alone, totals more than the sale price of all the motors at both the New York and the Canadian National Motor Shows. At almost any of these Canadian horse shows one could pick four horses whose total value exceeds $100,000.

There are many who would suppose that the value of a horse is based on a very elastic standard, something after the style of art treasures or valuable antiques. As a matter of fact, the value of a horse, particularly the show horse, is based on his earning power, or his probable earning power.

Earning Power

By earning power we mean not only "cash" dividends — for horse shows as far as the exhibitor is concerned, are a losing proposition—but also his "glory" earning power.

Take Roxanna for instance. Roxanna, powerful Irish mare, owned by W. B. Cleland, of Hamilton, and consistent winner in performance classes on this continent, has a well established "earning power."

Roxanna, along with Activity, winner of the major jumping events in the British Isles, was purchased from John Warwick the celebrated Belfast horseman on his trip to this continent in 1930. In the five years that have elapsed, Roxanna, who came here with the well earned title of being the "champion stone wall jumper of Ireland," has leaped her way to victory in major stakes at New York, Chicago and Toronto. We heard rumors of a big offer for Roxanna from a United States stable this winter. The rumors were run to earth. Fifteen thousand dollars was offered for this grand old mare last year! Roxanna, however, along with Activity, is not for sale. Upon her retirement from the show ring her owner wishes her to be the dam of many a good Canadian bred.

The "earning power" of a jumper such as Roxanna is not a gamble, it is an established fact, hence the seemingly exorbitant price. The would-be purchaser knows that she would stand more chance of winning glory, honor and cash than any ten medium priced "leppers."

Then, let us consider the hunters. Of Canadian owned hunters in the show ring there are two horses that definitely stand out,—Michael, owned by R. S. McLaughlin, and Cuchulain, owned by R. Y. Eaton. Both are Irish bred hunters and both have captured laurels of victory at Irish, Canadian and United States shows.

If you wished to purchase either of these hunters, and if their owners were willing to sell, I doubt very much if $15,000 would clinch the deal. An exorbitant figure? Not at all, for their earning power in the show rings of the world would certainly rate their values in excess of that figure.

Why Horses Cost Money

Show horses are born and also made.

Initial expenditure may easily run into five figures and annual upkeep in Canada costs $250. In Ireland it is much lower and so far this has proved the main handicap in getting the industry developed in this country.

Before an animal has any earning power it must be an established winner. Before this again it must be provided with parents, be born and reared.

When it first steps, trembling out on floodlighted tanbark of the big shows at Montreal, New York or Toronto, it represents a sizable investment. And it may fail to clear the first jump. But such hazards may make the game increasingly popular.

The return of spring makes Mr. Acland's article of timely interest.

The late Dick Mosscrop, for many years stable manager for Mr. McLaughlin, told me that Richard Mellon had offered $10,000 for Michael at the Devon Show last year. Of course the offer was not even considered and the Oshawa owner's reply was, "Why would I sell Michael?"

Information from a reliable source brings the news that the Oriole Stable was twice offered $15,000 for Cuchulain, once in Ireland at the Dublin Show, and once at the Royal Winter Fair. Last year, I was told, $12,000 was offered for this big Irish chestnut.

Famous Imports Valuable

Consider another famous Irish hunter in the middle-weight division. Sharavogue, owned by R. S. McLaughlin and ridden to many victories by Mrs. Eric Phillips. Sharavogue was purchased along with another horse for something over $12,000. At that time Sharavogue had shown a definite ability to win ribbons and his "earning power" was on the up-trend. The other horse, from point of view of his earning power in the show ring could not have been valued at over a thousand dollars.

El Tigre, the McLaughlin-owned, Ontario bred hunter might well be considered a leader of Canadian breds in the hunter classes of today. He is a beautiful thoroughbred and, although still a young horse, has been a consistent winner at New York, the Royal, and other shows. It is said that Mr. McLaughlin paid J. E. Smallman $7,500 for El Tigre, while his present day value as a proven winner is probably twice this figure.

Sundart, a magnificent Irish-bred chestnut gelding, which could carry himself equally well in jumping stakes as well as hunter classes was sold by W. B. Cleland to a Kansas sportsman for over $10,000. And Sundart caught cold and died a few months later!

Alfred Rogers and Senator Frank P. O'Connor have both owned hunters in the past for which various offers from ten to twenty thousand dollars have been refused during their careers.

Harness Animals

The harness horse division likewise is regulated by "earning power" and Canadian bred animals are quite frequently to be found in the front rank.

At this time there is no better example than the five-year-old handsome bay, Invasion, née Discovery, owned by Mrs. Loula Long Coombs, of Lee's Summitt on the outskirts of Kansas. Invasion, it was, who high-stepped his way to victory in the rich $1,000 "Sir Clifford Sifton" Harness Stake at the Royal Winter Fair last year. He was really a home-town horse making good, for Invasion was foaled and raised at T. A. Crow's farm near Unionville. That dean of Canadian horsemen sent this fine young horse into the ring at the Canadian National Exhibition in 1934. At his first show, Discovery as he was then named, won two red ribbons, as a four-year-old. He was then sold to the celebrated American horsewoman who had him renamed "Invasion."

Today with little more than a year with the American stable, he has carried no less than five thousand dollar stakes and a score or more ribbons. In other words, within a year his earning power has increased a hundredfold.

"I know a Canadian owner who would pay ten thousand for him today," Mr. Crow told the writer. "But, of course, Mrs. Coombs would not sell at any price."

It would be a conservative estimate to say that $20,000 would be the present sale price of this young Ontario bred in the United States today. Again the standard of "earning power."

An interesting sale in the American harness horse world consummated in 1935, was the purchase of that grand old harness pony King of the Plains by Miss Frances Lodge, for $25,000. This price, despite the fact that at ten years King of the Plains has passed the zenith of his career. The average price of a good harness horse today runs from $2,500 up to $5,000. A rather expensive mode of transportation.

Could Canada Breed Them?

With so much money represented by good horseflesh the question of the possibility of Canada enjoying a lucrative horse breeding industry at once suggests itself.

Could Canada enjoy the monopoly of hunter and jumper breeding that has been Ireland's for many a day? And why is it that wealthy stables recruit from the horse breeding establishments of the Emerald Isle?

"People go to Ireland to buy because that is the only place where they can get the right type," is Hughie Wilson's opinion, backed up by half a century of experience with both Irish and Canadian bred hunters and jumpers.

"You just can't get the 'bone' in this country," says Joe Slattery, stable manager for the Oriole Stable, who has made many trips to Ireland to bring back horses.

"It is no longer necessary to go to Ireland for your good horses," is the comeback of W. B. Cleland, who has owned the best of Irish bred horses, and this year for the first time won the $1,000 Royal York stake at the Winter Fair with Ammunition, a young horse bred on a Canadian farm.

Irish Leadership

Briefly, Ireland has held the hunter breeding supremacy for two reasons. First, the climate and natural feed of the country is "bone" building. Secondly, her breeding stock are of the right type. Canada can, and is, overcoming the second phase. The importation of more good Irish mares from year to year is bound to improve the Canadian type as time passes.

The first factor in favor of Ireland, the fact that their feed has bone-building qualities may yet be overcome by Canadian breeders. Careful feeding of the dam and foal until he reaches the age of maturity has brought about amazing results. Take Ammunition, for instance. This young Ontario bred who won the Royal York stake this year has all the appearance of an Irish horse. Careful selection of sire and dam, together with the careful feeding of "balanced rations" has made him a synthetic "Irish" horse.

"I have found that by careful feeding, my Ontario bred youngsters can attain all the bone and quality of the Irish bred horse. In some ways I prefer the Canadian bred. He is not so subject to wind and foot troubles as the Irish horse," said Ammunition's owner.

Hughie Wilson told the writer that he considered a thousand dollars to be a "fair" price for a hunter.

Here the cost of breeding the right type in Canada enters into the question. To raise a young horse from the day he is foaled, on a careful diet, such as the one now adopted by some Canadian breeding establishments, would cost the average owner at least $250 a year, for one must include stable overhead, wages and other items. Now, in Ireland, one is able to let a mare run out to pasture all the year round. She foals in that pasture and the youngster runs by her side until he develops into a fine big Irish horse at no expense to the owner save for the cost of the pasture land so bountiful in bone building vitamins.

That is an economical handicap about which the Canadian breeder can do little. It costs him $1,000 to put a good four-year-old into the ring and it is then that the gamble starts. What is his earning power to be? The answer is a greater gamble than the stock market.

Motors and airplanes to the contrary the light horse still lives and thrives. His demise was freely predicted a decade or so ago. Taken out of the realm of utility he stages a comeback in the field of sport. Miss Margaret Eaton, of Toronto, is shown on Cuchulain, famous jumper from the Oriole Stables of R. Y. Eaton, president, The T. Eaton Co.; C. L. Burton, of the Robert Simpson Co., is mounted on a good type of saddle animal, while the foreground shows a typical hunt club scene.

Municipal Finances

Brandon, Man., has asked the Manitoba government to guarantee a $75,000 issue of 15-year 4½ per cent city debentures, proceeds to be used to liquidate the city's share of unemployment relief costs in 1935.

* * *

Brantford has set its 1936 tax rate at 43½ mills, the same as last year. The budget, on which this rate was based, makes no provision for unemployment relief costs.

* * *

Ottawa is seeking authority from the Ontario government to borrow $761,000 upon debentures for the construction of relief sewers, installation of a new fire alarm system, paving of track allowances and rounding of street corners.

* * *

Saskatoon reports a surplus of $34,547 in 1935, the first since 1929. However, $142,000 of relief costs was capitalized as against $219,564 in 1934. Public utilities yielded a net profit of $281,573.

* * *

Carleton County, Ont., has cut more than $500,000 from its debenture debt in the past five years. In 1935, the county cut its debenture debt to $1,736,000, a reduction of $188,000. It is expected another $178,000 will be paid off the total in 1936.

* * *

Lindsay, Ont., is to have a reduction of almost two mills in its tax rate for 1936, the rate being fixed at 45.8 mills. This is the same as the 1934 rate. With its budget balanced the town hopes to have a small surplus in 1936.

* * *

Windsor 1936 tax rate has been set at 40 mills by the Windsor Finance Commission. On a total assessment of $92,131,940 this will yield $3,686,946 in taxes. The finance commission has approved an operating budget of $3,150,000 for 1936. The difference will be available to bondholders as well as $190,000 in miscellaneous revenues and $150,000 from local improvement levies. The estimated total available to bondholders is $876,946.

* * *

Winnipeg reports a budget surplus of $563,000 for 1935 and a possible increase in the realty tax rate in 1936. Although estimated expenditures at $9.7 millions are up almost $1 million, the revenue estimate is lower.

* * *

Port Hope, Ont., has paid off its Hydro-Electric Commission debentures. Purchased in 1930 at $79,000, the hydro plant has yielded substantial profit as a result of careful and efficient administration, thus enabling the debenture debt to be liquidated well before maturity.

* * *

Tecumseh, Ont., may find it necessary to raise its tax rate as a result of the decision of the Ontario government to contribute only $74,000 to the cost of relief, regardless of what the town spends. This may increase the town's financial difficulties.

* * *

London, Ont., reports that its taxable assessment will be over $3 millions lower as a result of the action of the provincial government in replacing the municipal income tax with a provincial levy. The actual taxable assessment for 1936 will be $82,038,621 for general purposes.

* * *

Montreal Metropolitan Commission is investigating the finances of Ville St. Michel de Laval and Montreal North, two adjoining bankrupt municipalities under its jurisdiction, with a view to amalgamation of the two.

* * *

Owen Sound has authorized the issue of $20,000 of debentures, divided equally between the waterworks and gas departments. The debentures will not be offered for public sale, but will be purchased by the city's sinking fund.

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From Our Own Correspondent

MONTREAL.—Normal operations for Dominion Steel & Coal Corp. cannot be expected until a greater measure of prosperity returns to the railway companies, whose demands for steel products are an important factor of the operations of the Sydney plant, according to report made by Sir Newton Moore to the shareholders of Dominion Steel & Coal Corp.

While awaiting a return of more normal conditions of railway operations, Dosco is making efforts to develop new markets. During the past year export sales of steel amounted to 104,911 tons, as against 101,360 tons in 1934. Of last year's shipments, 73,622 tons went to the United Kingdom, replacing tonnage which in the past had been imported from Europe.

According to Sir Newton, the average working force employed at the Sydney steel plant in 1935 was 3,250 as compared with 2,800 in 1934.

In regard to ore shipments, Sir Newton said:

"Ore shipments to Great Britain and Europe amount to 77,788 tons as compared with 307,829 gross tons in 1934. Shipments to Germany under existing contracts calling for 700,000 tons per annum were restricted to 45,138 tons in 1935, due to the inability of the German works to obtain the necessary foreign exchange to make payments for any larger quantity—and it is impossible to forecast the length of time during which this condition will continue. We have, notwithstanding this condition, received payment in full for all ore supplied on these contracts to the end of the year.

"Shipments of iron ore from the Sydney plants last year were 546,695 gross tons, as compared with 309,088 gross tons in 1934."

Quebec Beer No Danger Canada Bud Viewpoint

The prospect that Quebec brewers would ship draught beer into Ontario need not be perturbing to Canada Bud Breweries, shareholders were told at the recent annual meeting. T. O. Turner, managing director, stated that 80 per cent of the company's output was bottled beer.

Mr. Turner said the company was not likely to go into "canned" beer, and he saw disadvantages in it.

President Duncan McLaren reiterated the company will not place its shares on a regular cash dividend basis, but will consider disbursements semi-annually. Although he did not undertake to publish quarterly statements, Mr. McLaren said progress reports would be issued.

Directors were re-elected at the meeting, and a by-law was approved by shareholders changing the date of the annual meeting from the fourth Wednesday in February to the fourth Wednesday in March.

The BACHELOR'S CORNER

The Lion in the Calendar

March, I am told, is supposed to come in like a lamb and go out like a lion. Or vice versa. I can stand any amount of lamb-like weather but to lions I am not partial.

I have never tried my hand at training real lions, but we can tame our meteorological ones by piling some extra logs on the fire, stepping into our comfortable slippers and lighting up a friendly Bachelor.

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